2015
ANNUAL REPORT

PRO GENTIBUS SAPIENTIA

UNISA

UNIVERSITY OF SOUTH AFRICA

CONTENTS

UNISA: **BACKGROUND AND CONTEXT**

Established in 1873 as the University of the Cape of Good Hope, Unisa's origins were to serve primarily as an 'examining body'. In 2013 the University of South Africa celebrated its 140th anniversary and 2014 continued this remarkable journey in higher education. Unisa defines itself as a public-spirited institution with a clear social mandate. It is focussed on quality, development, and transformation through education – teaching, research and community engagement – nationally, continentally and globally.

In 2001, in line with the new, fully inclusive democracy, and in the context of equity and redress, the South African higher education landscape underwent a complete reconfiguration and from this exercise, the new Unisa emerged in 2004 as South Africa's single, dedicated, comprehensive distance education institution (amalgamating the old Unisa, Technikon Southern Africa and the Vista University for Distance Education Campus).

Throughout its history, Unisa was perhaps the only university in the country to have resisted exclusionary dictates, providing all people with access to education, irrespective of race, colour or creed (although graduation ceremonies were differentiated by race for a time in terms of national legislation). This vibrant past is mirrored in Unisa's rich history, more particularly its impressive database of alumni, many of whom are to be noted amongst the most senior echelons of society across the world. Given its rootedness in South Africa and the African continent, Unisa today can truly claim to be the African university in the service of humanity. Unisa is the largest open distance learning (ODL) institution in South Africa and Africa, and one of the world's top 30 mega-institutions. With more than 350 000 students Unisa enrols over one-third of all South Africa's tertiary students. The student profile reflects the demographics of South Africa's democratisation process and its status on the continent since 1994, underscoring the pivotal role that Unisa plays in higher education, and its strategic position nationally, continentally and globally, as a key vehicle for transformation, growth and development.

> With more than 350 000 students Unisa enrols over one-third of all South Africa's tertiary students.

As it has developed and matured into a modern, innovative and effective 21st Century university, Unisa's institutional governance and management structures have been continually adapted and adjusted to meet emerging regulatory requirements, socioeconomic dynamics and the institutional spirit of transformation and growth. Unisa's philosophy and goals as set out in the **Unisa at a glance** section of this report reflect Unisa's unequivocal commitment to quality and define its imperatives for sustainable change and development.

Context of this report

This report reflects the significant activities for the period 1 January – 31 December 2015 and covers the total operations of Unisa. The emphasis of content for the report was determined by the Reporting Regulations (2014) set by the Department of Higher Education and Training (DHET). Whilst all reasonable attempts were made to equally align the report with the best practices recommended by King III, a critical challenge in preparing the report was the requirement to comply with the specific parameters of the DHET guidelines and respond to all the issues raised for consideration in the regulating guidelines. This onus has the effect of focussing the report on context-specific stipulated information outside (and different to) the recommended boundaries of King III. This is critical for the relevance of the report as it ensures a reflection of material information that is of direct relevance to our particular sector, being public higher education.

Further information that may be required on any matter in this report or otherwise, may be found on either the Unisa website or by contacting the office of the Registrar at zideng@unisa.ac.za.

UNISA **AT A GLANCE**

The following is a brief overview of Unisa's philosophy and goals, its organisational structure and information on its student and staff profiles. The reports to follow on governance and institutional-related matters give account of how Unisa's operations supported its philosophy and goals in 2015.

Vision

Towards *the* African university shaping futures in the service of humanity.

Mission

Unisa is a comprehensive, open distance learning institution that produces excellent scholarship and research, provides quality tuition and fosters active community engagement. We are guided by the principles of lifelong learning, student centeredness, innovation and creativity. Our efforts contribute to the knowledge and information society, advance development, nurture a critical citizenry and ensure global sustainability.

Values

- Ethical and collective responsibility
- Integrity
- Innovation and excellence
- Responsive student-centeredness
- Dignity in diversity

Value proposition

Accessible, flexible and globally recognised

Transformation Charter

Preamble

We, the Council, Management, Staff and Students of the University of South Africa –

Affirming

that the context of transformation in Unisa is unprecedented political and social change following the advent of democracy in South Africa

Endorsing

the need to

- galvanise the university to help fulfil societal aspirations for a just, prosperous society as encapsulated in the Constitution
- provide equitable access to higher edcation institutions, programmes and knowledge
- redress previous injustices referred to in the Constitution and the Higher Education Act 101 of 1997 based on race, gender, class and ethnicity
- provide scholarship and tuition aimed at social and human resource development that is socially responsive

Acknowledging

the collective efforts of higher education in South Africa thus far, towards a more equitable dispensation

Transformational leaders are to be found at all levels and in all sectors of the organisation, not necessarily dependent on positional power.

We declare that

Transformation is fundamental and purposeful advancement towards specified goals: individual, collective, cultural and institutional, aimed at high performance, effectiveness and excellence. It entails improvement and continuous renewal guided by justice and ethical action, and achievement of a state that is demonstrably beyond the original.

Individual and collective change requires regular and frequent introspection and self-criticism to examine how assumptions and practices are expressive of and resonant with transformational goals.

Cultural change requires the creative disruption and rupture of entrenched ways of thinking, acting, relating and performing within the institution and a willingness to adapt.

Institutional change entails the reconfiguration of systems, processes, structures, procedures and capabilities to be expressive of transformational intent. Transformation is monitored, milestones agreed, progress evaluated and measured, with individual and collective accountability for clearly identified responsibilities.

Transformation is sponsored, driven and led by the Vice-Chancellor. It is also articulated and advocated by the entire institutional leadership.

Transformational leaders are to be found at all levels and in all sectors of the organisation, not necessarily dependent on positional power. They are distinguished from mere actors by their insight into how things are in comparison to where they need to be, with the resolve and capability to act catalytically in pursuit of institutional and societal change imperatives in the face of opposition, resistance and limited resources.

Transformation keeps us at the frontier as pathfinders: to find ever better and innovative ways of enriching the student experience, elaborating and building upon African epistemologies and philosophies, developing alternative knowledge canons and advancing indigenous knowledge systems that ground us on the African continent, without averting our gaze from the global horizon.

We commit to

constructing together a new DNA for Unisa, characterised by openness, scholarly tradition, critical thinking, self-reflection and the values of African cultures – openness, warmth, compassion, inclusiveness and community.

This we will accomplish through

- **COMMUNICATION:** Ensuring shared meaning and promoting mutual understanding at all levels, by making explicit relevant decisions, actions, choices and events timeously and transparently
- **CONVERSATION:** Actively participating in dialogue that transforms the relationship and narrows the scope of differences while enhancing understanding and empathy
- **CONSERVATION:** Preserving and utilising what is best from our legacy, making choices and decisions and taking actions in the present which ensure a sustainable future
- **COMMUNITY:** The university staff, students and alumni cohering around our shared vision, aspirations and interests in the spirit of Ubuntu, while embracing diversity in its multiple forms
- **CONNECTION:** Reinvigorating stakeholder relations to find greater synergy, harmony and meeting of minds in pursuit of transformational goals
- **CARE:** Fostering a sense of belonging among the members of the Unisa community so that they feel accepted, understood, respected and valued
- **COLLEGIALITY:** Cultivating an ethos of professionalism, shared responsibility, mutual respect, civility and trust while understanding and acknowledging one another's competencies and roles
- **COMMITMENT:** Dedicating ourselves individually and collectively to promoting and upholding the vision, goals and values of Unisa
- **COOPERATION:** Working together proactively and responsively towards the realisation of Unisa's goals and aspirations

- **CREATIVITY:** Nurturing an environment that is open and receptive to new ideas, liberates potential and leads to imaginative and innovative thinking and action
- **CONSULTATION:** Taking into account, in good faith, the views, advice and contributions of appropriate stakeholders and individuals on relevant matters......and
- **COURAGE** to act, decide and make choices with conviction and resolution in the best interests of the institution

THIS PLEDGE WE MAKE, confident that the institutional climate we seek to create will free us from the shackles of our pasts in order that we may face the future with confidence, pride and dignity.

Strategic goals

Goal 1: Improve academic performance in teaching and learning, research and innovation, and community engagement to enhance institutional impact and student success

The institutional climate we seek to create will free us from the shackles of our pasts in order that we may face the future with confidence, pride and dignity.

Goal 2: Establish Unisa as a leader in sound corporate governance and the promotion of sustainability

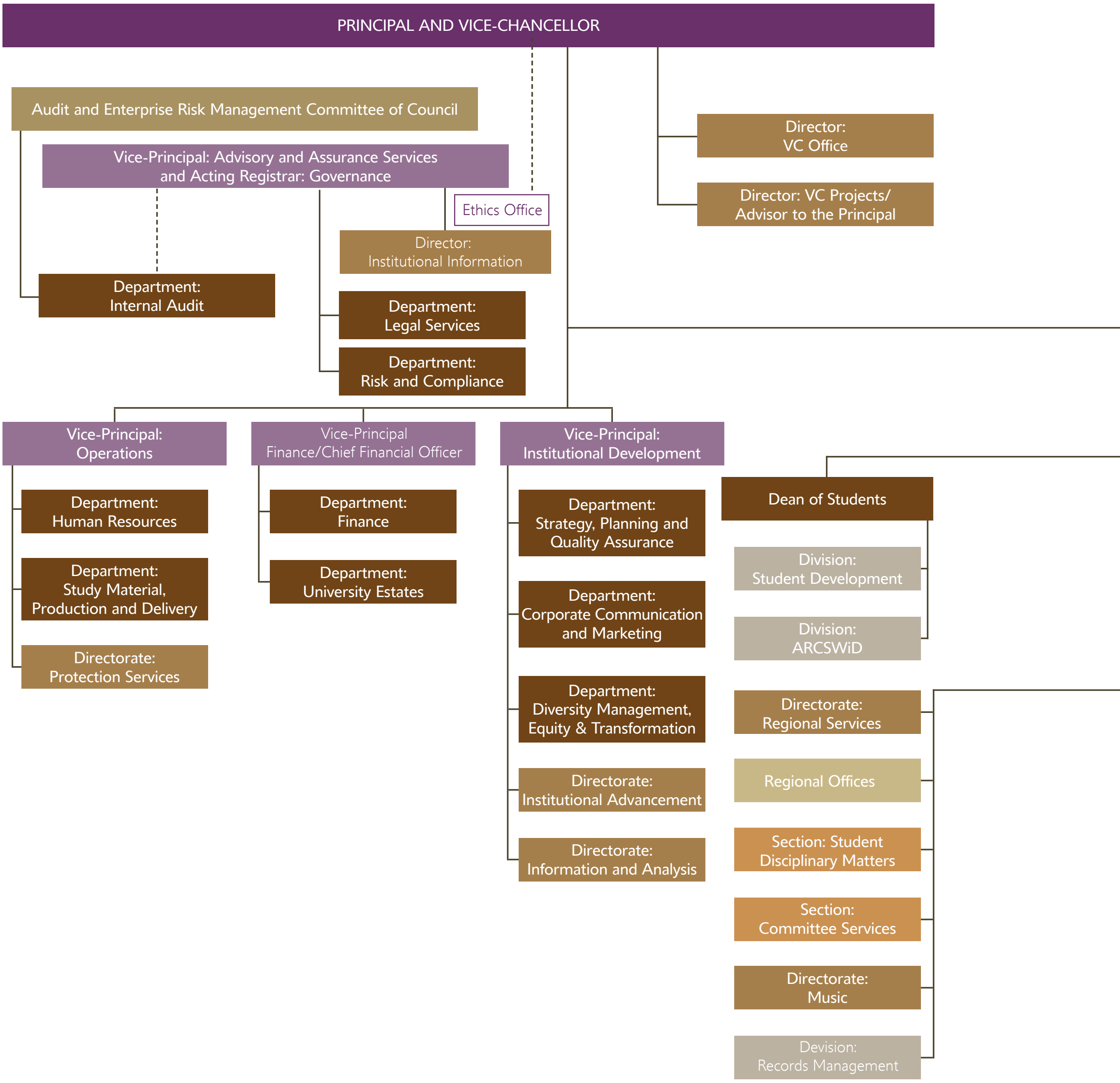
Goal 3: Promote service efficiency and effectiveness in the institution towards being a recognised student-centred organisation

Goal 4: Establish a people-centred university by enhancing capabilities and capacities and advancing cultural transformation

Goal 5: Cultivate external stakeholders and stakeholder relationships

Organisational structure

The organisational structure is designed to support the university in executing its core business areas of teaching and learning, research, innovation and community engagement, and to give practical effect to the identified and agreed institutional strategic and operational priorities. It introduces an equitable distribution of functions across the portfolios and promotes horizontal integration of activities, bringing cognate functions under the correct departmental and portfolio responsibility with the underpinning ethos of overall accountability resorting with the Vice-Chancellor. All the Vice-Principals report directly to the Vice-Chancellor, and the Pro-Vice-Chancellor is responsible for the strategic areas of ICT, Procurement, and Academic Planning (and Community Engagement), as well as the key projects of open education resources (OERs), ODL and the new organisational architecture and business model.



EXECUTIVE MANAGMENT

Prof. Mandla Makhanya
Principal and Vice-Chancellor

Prof. Narend Baijnath
Pro-Vice-Chancellor

Prof. Rita Maré
Vice-Principal Academic: Teaching and Learning

Prof. Divya Singh
Vice-Principal: Advisory and Assurance Services and Acting Registrar: Governance

Ms Vuyo Memani-Sedile
Vice-Principal Finance/ Chief Financial Officer

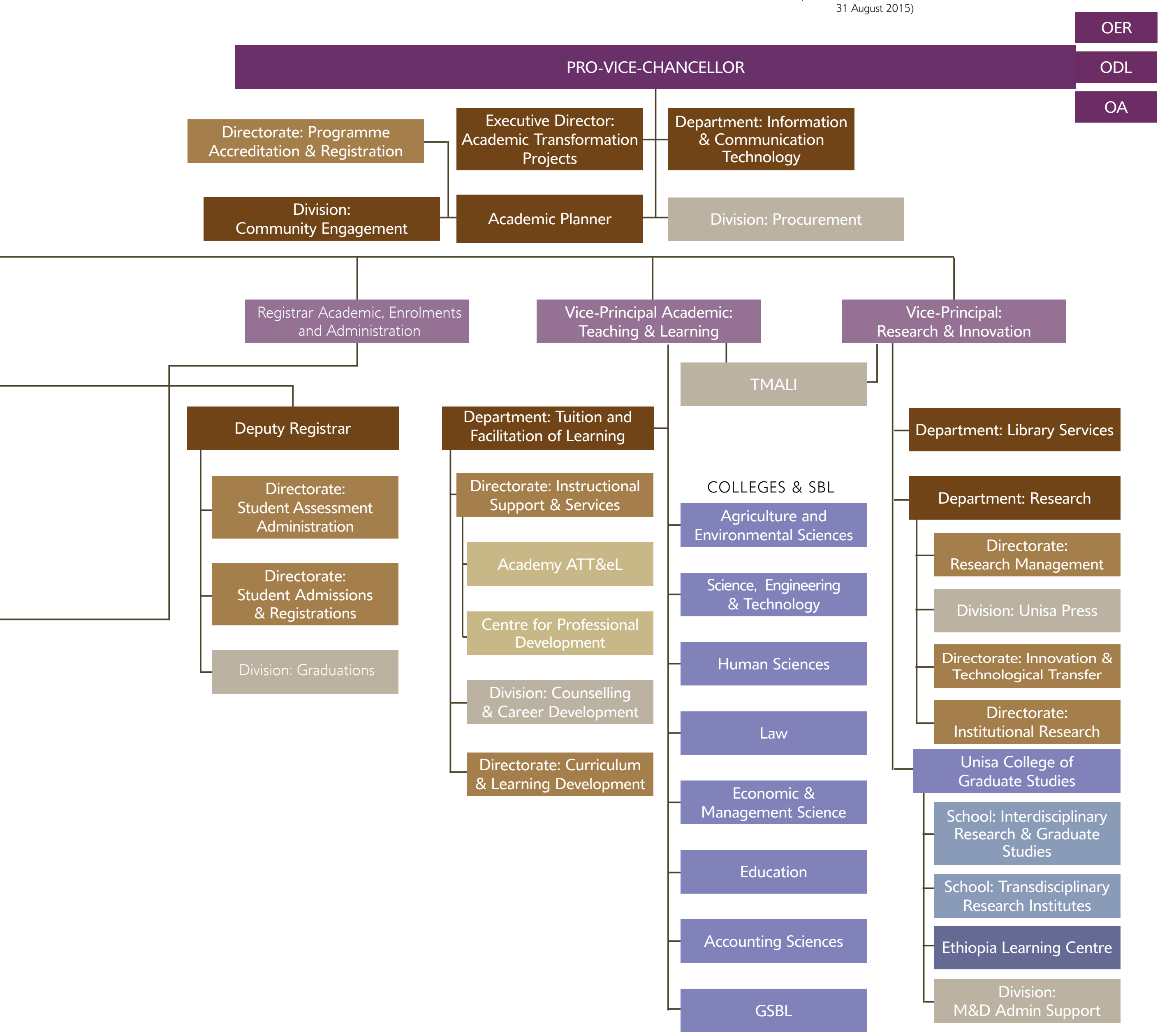
Dr Molapo Qhobela
Vice-Principal: Institutional Development

Prof. Barney Erasmus
Vice-Principal: Operations

Prof. Mamokgethi Phakeng
Vice-Principal: Research and Innovation

Prof. QM Temane
University Registrar: Academic, Enrolments and Administration (Acted from 1 December 2014 – 31 August 2015)

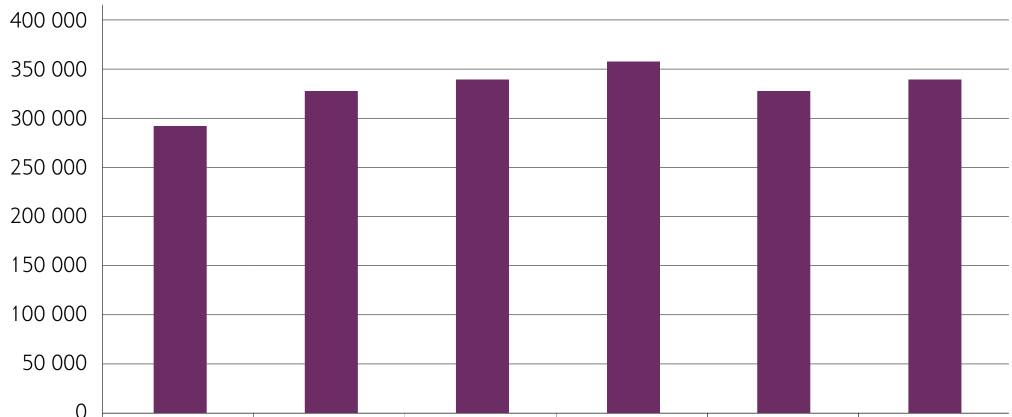
Prof. Gordon Zide
University Registrar: Academic, Enrolments and Administration



Student profile[1]

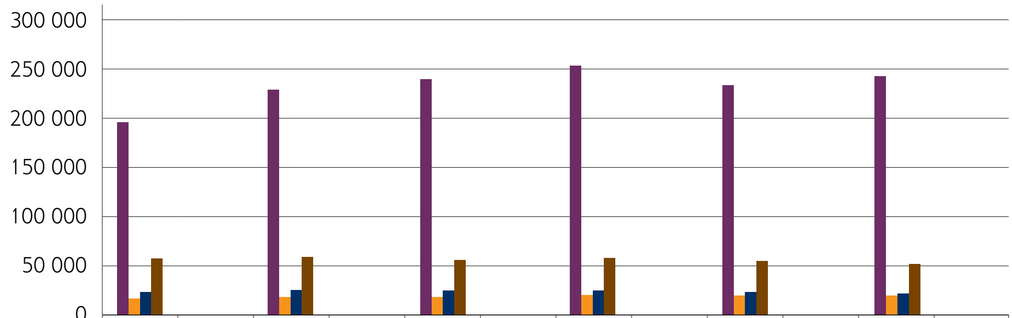
The following graphs reflect the Unisa student profile and the changes experienced over the past five years in terms of total enrolments, race, gender, region and nationality.

Student enrolments: 2010 to 2015



	2010	2011	2012	2013	2014	2015
HC enrolments	293 437	328 864	336 286	355 240	328 492	337 612

Student enrolments by race group

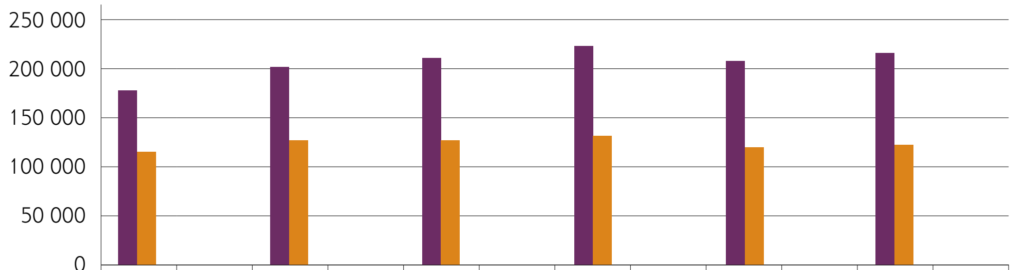


	2010		2011		2012		2013		2014		2015	
African	195 553	66.6%	228 159	69.4%	239 577	71.2%	253 613	71.4%	233 654	71.1%	242 878	71.9%
Coloured	16 610	5.7%	17 643	5.4%	17 595	5.2%	19 105	5.4%	18 139	5.5%	19 337	5.7%
Indian	24 113	8.2%	24 571	7.5%	23 162	6.9%	24 401	6.9%	22 433	6.8%	22 282	6.6%
White	56 965	19.4%	58 094	17.7%	55 350	16.5%	57 268	16.1%	53 186	16.2%	51 644	15.3%
No Information	196	0.1%	397	0.1%	602	0.2%	853	0.2%	1 080	0.3%	1 471	0.4%

Close to 72% of the total student population are African.

1 The 2010 to 2014 student figures presented are based on data extracted from the final audited HEMIS submissions to the Department of Higher Education and Training (DHET). The 2015 figures represent information extracted from preliminary HEMIS student data and is subject to final verification and auditing.

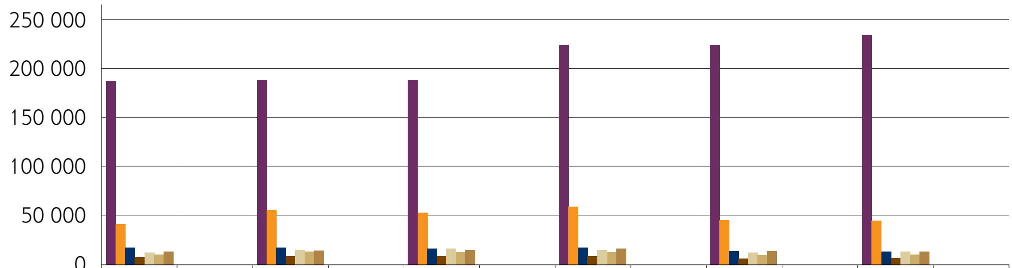
Student enrolments by gender



	2010		2011		2012		2013		2014		2015	
Female	177 503	60.5%	202 002	61.4%	210 313	62.5%	223 603	62.9%	207 950	63.3%	215 669	63.9%
Male	115 934	39.5%	126 861	38.6%	125 972	37.5%	131 635	37.1%	120 541	36.7%	121 943	36.1%

Female students accounted for approximately 64% of the total student population.

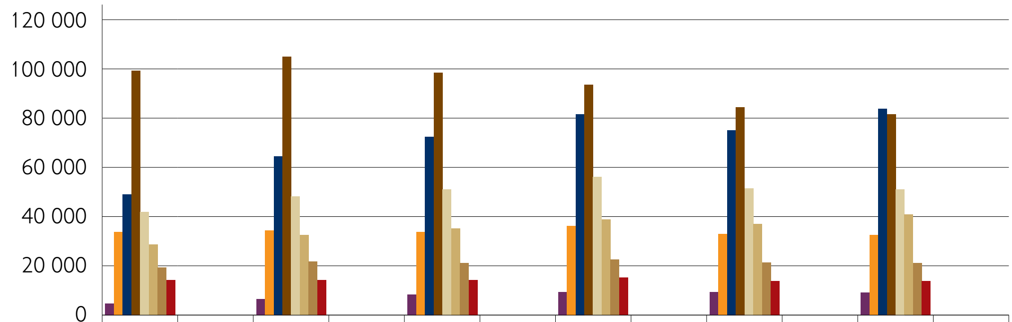
Student enrolments by region



	2010		2011		2012		2013		2014		2015	
Gauteng	187 953	64.1%	203 197	61.8%	212 698	63.2%	223 871	63.0%	224 556	68.4%	234 183	69.4%
KwaZulu-Natal	41 916	14.3%	56 127	17.1%	52 964	15.7%	59 309	16.7%	45 670	13.9%	44 766	13.3%
Limpopo	17 832	6.1%	17 150	5.2%	16 683	5.0%	17 359	4.9%	14 267	4.3%	14 009	4.1%
Mpumalanga	7 843	2.7%	8 668	2.6%	8 868	2.6%	9 197	2.6%	6 909	2.1%	6 762	2.0%
Midlands	12 751	4.3%	15 347	4.7%	16 664	5.0%	15 620	4.4%	12 860	3.9%	13 474	4.0%
Eastern Cape	11 101	3.8%	13 535	4.1%	13 010	3.9%	12 914	3.6%	10 243	3.1%	10 388	3.1%
Western Cape	13 888	4.7%	14 670	4.5%	15 276	4.5%	16 864	4.7%	13 851	4.2%	13 941	4.1%
Ethiopia	145	0.0%	166	0.1%	120	0.0%	96	0.0%	45	0.0%	31	0.0%
Foreign/Unknown	8	0.0%	4	0.0%	3	0.0%	10	0.0%	91	0.0%	58	0.0%

Close to 70% of Unisa's students resided in Gauteng.

Student enrolments by college



	2010		2011		2012		2013		2014		2015	
CAES	5 341	1.8%	6 947	2.1%	8 798	2.6%	9 834	2.8%	9 710	3.0%	9 666	2.9%
CAS	34 264	11.7%	34 650	10.5%	34 209	10.2%	36 751	10.3%	33 394	10.2%	33 069	9.8%
CEDU	49 393	16.8%	64 790	19.7%	72 615	21.6%	81 695	23.0%	75 384	22.9%	84 132	24.9%
CEMS	99 218	33.8%	105 079	32.0%	98 539	29.3%	93 303	26.3%	84 667	25.8%	81 862	24.2%
CHS	41 912	14.3%	48 167	14.6%	51 132	15.2%	55 994	15.8%	51 955	15.8%	51 437	15.2%
CLAW	29 008	9.9%	32 585	9.9%	35 454	10.5%	38 921	11.0%	37 309	11.4%	41 130	12.2%
CSET	19 335	6.6%	21 627	6.6%	21 232	6.3%	22 900	6.4%	21 801	6.6%	21 811	6.5%
Occasional	14 966	5.1%	15 019	4.6%	14 307	4.3%	15 842	4.5%	14 272	4.3%	14 505	4.3%

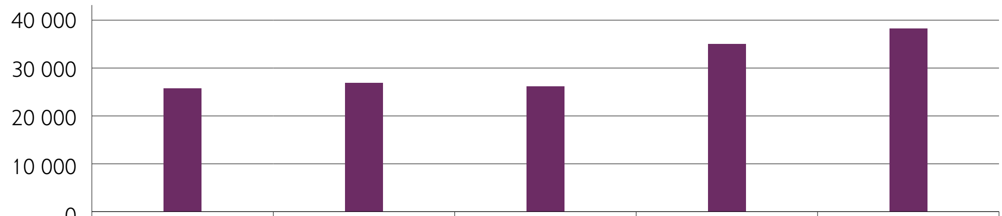
The College of Education is the largest college with more than 84 000 students.

Student enrolments by nationality

Nationality	**2010**		**2011**		**2012**		**2013**		**2014**		**2015**	
South Africa	269 061	91.7%	300 842	91.5%	307 142	91.3%	324 607	91.4%	298 743	90.9%	308 321	91.3%
Other SADC countries	18 647	6.4%	21 831	6.6%	23 480	7.0%	24 863	7.0%	24 363	7.4%	24 292	7.2%
Other African countries	4 067	1.4%	4 221	1.3%	3 828	1.1%	4 020	1.1%	3 792	1.2%	3 529	1.0%
Rest of the world	1 606	0.5%	1 782	0.5%	1 751	0.5%	1 551	0.4%	1 438	0.4%	1 282	0.4%
No information	56	0.0%	188	0.1%	85	0.0%	199	0.1%	156	0.0%	188	0.1%

91,3% of Unisa students were South African, with a further 7.2% from other SADC countries.

Graduates



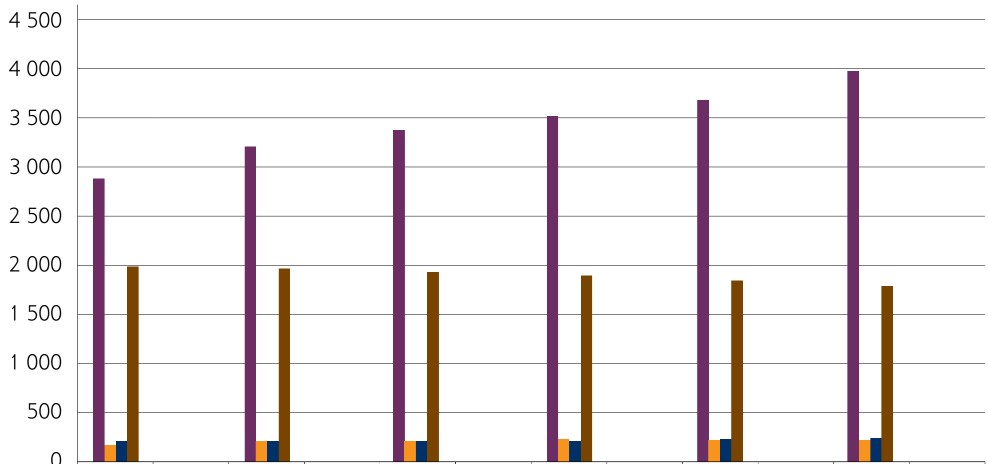
	2010	2011	2012	2013	2014
Graduates	26 073	26 808	26 210	34 934	37 896

Unisa strengthened the labour market with close to 40 000 graduates in 2014.

Staff profile[2]

The graphs present the Unisa staff profile and the changes experienced over the past five years in terms of race, gender and personnel category.

Staff by race

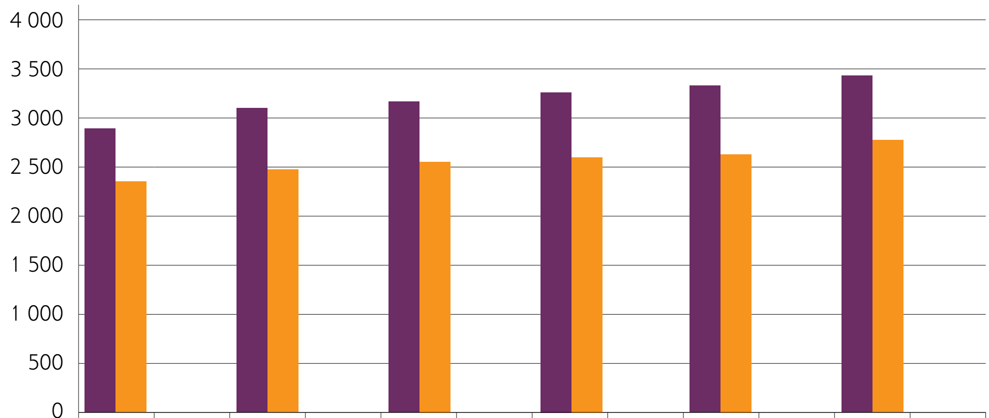


	2010		2011		2012		2013		2014		2015	
African	2 874	55.0%	3 211	57.6%	3 372	58.9%	3 514	60.0%	3 677	61.5%	3 974	63.9%
Coloured	175	3.3%	200	3.6%	209	3.7%	225	3.8%	223	3.7%	224	3.6%
Indian	204	3.9%	200	3.6%	210	3.7%	219	3.7%	230	3.8%	238	3.8%
White	1 977	37.8%	1 964	35.2%	1 933	33.8%	1 896	32.4%	1 845	30.9%	1 782	28.7%

The proportion of African staff seen a significant growth from 55% in 2010 to close to 64% in 2015.

2 The 2010 to 2014 staff figures presented are based on data extracted from the final audited HEMIS data submissions to DHET. The 2015 staff figures presented are based on data extracted from the first preliminary HEMIS data submission to DHET and are subject to final verification.

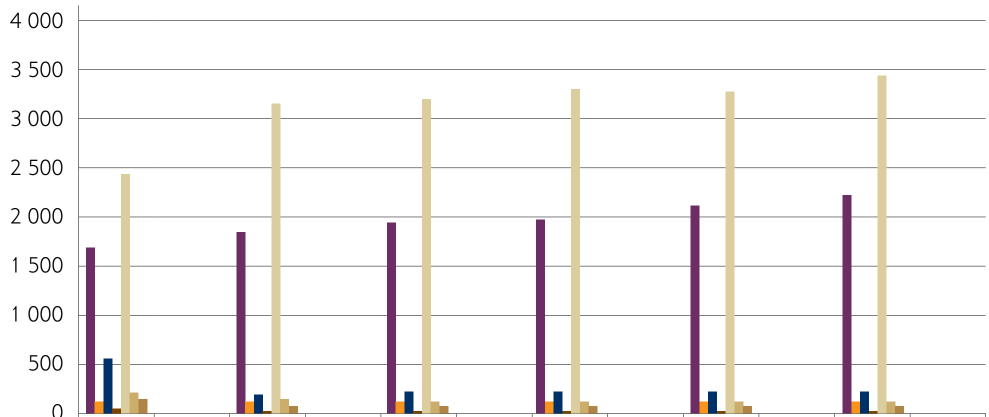
Staff by gender



	2010		2011		2012		2013		2014		2015	
Female	2 888	55.2%	3 088	55.4%	3 173	55.4%	3 261	55.7%	3 333	55.8%	3 436	55.3%
Male	2 342	44.8%	2 487	44.6%	2 551	44.6%	2 593	44.3%	2 642	44.2%	2 782	44.7%

55.3% of staff were female.

Staff by category



	2010		2011		2012		2013		2014		2015	
Instructional/Research Professional	1 689	32.3%	1 849	33.2%	1 946	34.0%	1 978	33.8%	2 115	35.4%	2 225	35.8%
Executive/Management Professional	128	2.4%	118	2.1%	124	2.2%	121	2.1%	127	2.1%	120	1.9%
Specialised/Support Professional	564	10.8%	194	3.5%	220	3.8%	228	3.9%	235	3.9%	221	3.6%
Technical	51	1.0%	21	0.4%	19	0.3%	19	0.3%	19	0.3%	21	0.3%
Non-Professional Admin	2 435	46.6%	3 164	56.8%	3 199	55.9%	3 305	56.5%	3 277	54.8%	3 439	55.3%
Crafts/Trades	215	4.1%	143	2.6%	133	2.3%	124	2.1%	125	2.1%	129	2.1%
Service Workers	148	2.8%	86	1.5%	83	1.5%	79	1.3%	77	1.3%	63	1.0%

PERFORMANCE **ASSESSMENT REPORT**

The reporting requirements for universities was gazetted on 29 November 2012 by the Minister of Higher Education under the heading Regulations for Reporting by Public Higher Education Institutions (hereafter 'the Regulations'). With specific reference to the Annual Performance Plan (APP), section 5(2) (m) of the Regulations provides that a performance plan must be approved by Council and section 5(5) states further that the annual performance plan must be submitted to the Department of Higher Education and Training. The commitments set out in the 2015 APP were discussed at the Unisa Council's annual strategic workshop in September 2014 and aligned to Unisa's five strategic goals. In compliance with the aforementioned regulations, Unisa submitted its Council-approved 2015 Annual Performance Plan to the Minister on 27 January 2015.

Set out hereafter is the university's achievement of targets under the 10 committed objectives. During 2015, performance against objectives was monitored by the management and quarterly progress reports were submitted to the Audit and Enterprise Risk Management Committee of Council (AERMCoC) for approval and to Council for noting. Council has expressed disquiet that the trend of non-achievement in the critical areas of ICT and service delivery appears to be repeated in 2015, notwithstanding the significant budget allocations to the various identified projects. The consequential prejudice to the university was highlighted and Council directed that clear project plans be developed and monitored through the relevant sub-committees of Council (being the ICTCoC and the Academic and Student Affairs Committee) in 2016, additional to the commitments under the 2016 APP.

Performance assessment report

Unisa's APP which was submitted to the Minister contained nine performance objectives and 24 targets. However, the Regulations make provision for universities to specifically report in four areas, namely:

- Headcount enrolment
- First time entering enrolment
- Success rates inclusive of graduate output and throughput rates
- Research output inclusive of research output per instructional/research professional staff

The 2015 APP made provision for research output in the form of increased output in master's and doctoral graduates but did not include research output per instructional/research professional staff. However, the item was specifically included in the extended 2015 Compact with Council, which was approved by Council at the same time as the 2015 APP and reported on to both Council and the Minister in terms of the committed reporting processes. Accordingly, the performance objective regarding research output per instructional/research professional staff included in this report which now reflects 10 performance objectives and 25 targets.

Performance on the committed performance objectives and targets

The reporting on the performance objectives and targets is divided into four categories, namely (i) operational outcome achieved in accordance with the set targets, (ii) operational outcome achieved in accordance with revised targets approved by Council but not submitted to the Minister; (iii) operational outcome achieved outside of the committed target dates with no approval by Council or submission to the Minister; and (iv) operational outcomes not achieved.

The commitments set out in the 2015 APP were aligned to Unisa's five strategic goals.

Outcome achieved in accordance with the set targets

Objective		Planned target
1	Improved aggregated examination pass rate at undergraduate level	Target 1: Minimum examination sitting pass rate per semester: 67%
		Target 2: Throughput rate: 10%
2	Increase the number of master's and doctoral graduates	Target 3: Master's graduates: 800
		Target 4: Doctoral graduates: 190
		Target 5: Weighted research outputs per capita: 1.0
7	Effectively lead Management team in the achievement of the committed strategic and organisational objectives	Target 18: Council approved quarterly AERMCoC progress reports on the targets in the Council Compact (with appropriate consequences for Management for matters of non-compliance)
		Target 19: Two dedicated training and development initiatives to ensure the continued growth and improvement of members of management and extended management
8	Implement ministerial approved enrolment plan	Target 21: Maximum of 2% deviation from the ministerial approved 361 643 headcount enrolment

Operational outcome achieved in accordance with revised target dates, approved by Council, but not submitted to the Minister

Objective		Planned target	Response	
4	Finalise the Business Model	Target 7: Management approved 'as is' business process by August	Amendment was approved by Council: 24/11/2015	
10	Implement change management to embrace the institutional culture	Target 25: Council approved report on a minimum of 2% improvement in the ethics climate in respect of awareness and execution by December	Amendment was approved by Council: 4/12/2015	The Council meeting of November 2015 was curtailed due to unrest on the campus and matters were deferred to the special Council meeting scheduled for 4/12/2015

Operational outcome achieved outside of the committed target dates with no approval by Council or submission to the Minister

Objective		Planned target	Response
6	Stabilise ICT systems, network and broadband capacity to meet current needs	Target 13: Management approved analysis of recurring ICT system problems measured against user needs by April	The analysis was approved by Management Committee at its meeting on 5/5/2015–five days after the committed target date.

		Target 15: OAICT approved stress tests of peak time impact on capacity with full utilisation of application by June	The May OAICT was cancelled. The issue of the stress tests of peak time impact on capacity with full utilisation of application was taken to the Management Committee in August and approved–two months after the committed target date. It was also noted by the ICTCoC in August. Note: the OAICT is a sub-ordinate committee to the Mancom.
		Target 16: ICTCoC approved assessment of ICT capacity in respect of broadband, network, data and systems using the high level EA Roadmap as a frame of reference by July	The assessment of ICT capacity in respect of broadband, network, data and systems using the high level EA Roadmap as a frame of reference was approved by Mancom on 14/7/2015 and referred to the ICTCoC. It was approved at the ICTCoC in August–one month after the committed target date.
10	Implement change management to embrace the institutional culture	Target 24: Council approved institutional culture statement by September	The Culture Statement was approved by Council in December–two months after the committed target date. This matter was on the agenda of the November Council meeting and was deferred to the special meeting of 4 /12/2015.

Operational outcomes not achieved

Objective		Planned target	Response
4	Finalise the business model	Target 6: Management approved implementation plan for the revision of the business model by March	A draft business model and implementation plan were approved by Management in June and referred to Senate. Senate resolved that there should be further consultation. Consultation was not concluded by the end of 2015. The Deans submitted a draft consultative model and the target will be completed in 2016.
		Target 8: Management approved 'to be' business process by October	This objective is subject to the completion of target 6. Developing processes without a clear understanding of the new business model will be premature and a risk for the university. This target will commence in 2016 and the projected completion date is 2017.
5	Progress on key ICT systems	Target 9: Enterprise Content Management System implemented and operational from November	The minutes of the October ICTCoC indicated that the rollout of the Content Lifecycle Management (UNIDRIVE) to end users has commenced. The project has progressed with challenges relating to the readiness of the server infrastructure on which the Web Experience Management (WEM) technology was to be installed. This risk is currently being mitigated by having the OpenText resources onsite to work closely with Unisa ICT technical team to expedite the related activities. Unisa Project Sponsors and Management have also requested DataCentrix to bring onsite the OpenText application developer team to work closely with the Unisa Corporate Communication & Marketing (CC&M) development team. This mitigation has not eliminated further delays and the project was not completed. It is anticipated that the project will be completed in 2016.
		Target 10: Student system replaced in accordance with ICT approved plan	The minutes of the October ICTCoC indicated that the replacement of the student system is in progress and that the first phase of the academic model (Migration of courses records) was successfully implemented on 15 April 2015. The second phase (Migration of modules and module

			availability) of the academic model was implemented end of April 2015. The first phase applications processes (undergraduate and post graduate) went live on the 17 August 2015 and 15 September 2015 respectively. The second phase of applications (master's and doctorates) went live on the Legacy system (LSS) as the training and functionality of SITS was not completed. The project has experienced a number of delays and challenges and the project sponsors have requested a re-planning process based on lessons learned from 2015. The targets as defined in the ICTCoC meeting were not met and more development time is needed to ensure a fully functional student system.
		Target 11: Student Relationship Management System implemented in accordance with the ICTCoC approved plan	The minutes of the October ICTCoC indicated that the Student Relationship Management project is on track for implementation in 2015. The SMS and email functionalities have been implemented and are already in use by the university community. The Unisa Bargaining Forum (UBF) approved (on 20/4/2015) that the project go ahead, which paved the way for the team to start engaging users in the activities of the project. The technical work for phase 2 (Webchat, Video chat, social media monitoring, guided help) has been completed. Phase 3 (Telephony) is currently underway: major deliverables have been achieved and the project is awaiting integration with the Unisa Unified Telephony project to be completed in order to start the rollout of phase 3. Training and rollout of all phases of the project will commence in November 2015 and will be finalised in 2016.
		Target 12: Enrolment Management System (EMS) fully functional by July (for 2016 intake of students)	The minutes of the October ICTCoC indicated that the Enrolment Management modules (processing / ranking/ offer making) is still in progress and will be ready and fully implemented by 16 October 2015. The project has experienced a number of delays and challenges and the project sponsors have requested a re-planning process based on lessons learned in 2015. The targets as defined in the ICTCoC meeting were not met and more development time is needed to ensure a fully fledge Enrolment Management System. The EMS will be fully functional for the 2017 student intake.
6	Stabilise ICT systems, network and broadband capacity to meet current needs	Target 14: OAICT approved report on an independent testing of robustness of network infrastructure by May December	The target was not achieved. Work is continuing and it will only be completed in 2016. The Report will be engaged with the ICTCoC.
7	Effectively lead Management team in the achievement of the committed strategic and organisational objectives	Target 17: Minimum 10% improvement in the Management team effectiveness and cohesion based on the BMR annual assessment	The target was not achieved. However, initiatives have been implemented as a commitment to the improvement of the effectiveness and cohesion of the Management team. Evidence was provided for all the interventions throughout 2015: notwithstanding, the committed outcome was not achieved. In 2016, this target will be augmented with input and process measures to realise a given output target.

		Target 20: Quarterly informal conversation breakaways to discuss specific issues directly relevant to the top Management team	• The target was not achieved and after careful interrogation of the evidence provided it is clear that the target specifically refers to quarterly breakaways. Whilst there were many engagements between the top Management team, the specific activity of 'quarterly informal breakaways' was not implemented.
8	Implement ministerial approved enrolment plan	Target 22: Maximum 2% deviation from the ministerial approved 67 404 first time entering students	This target was not achieved. The provisional data indicated that Unisa has enrolled 49 487 students. This lower intake is subject to a number of factors, including the new progression rules and admission requirements which will be carefully monitored in 2016 and during revision of Unisa 2017 to 2019 targets.
9	Improve service delivery to students	Target 23: Management approved report on a minimum of 5% improvement on the overall average student satisfaction from the last assessment by October	The student satisfaction survey is not commissioned every year and has recently been split into different waves to cater for the differing operational aspects during any given year. Wave one deals primarily with application and registration issues, while wave two more with assessment and student support during their studies. The results of the various components of the survey also identify a number of different indices. For the purposes of measuring the target in the APP, the General Unisa Satisfaction Index (GUSI), which forms part of Wave one, is used. This index showed a drop in student satisfaction during 2015.

Conclusion

The Council is satisfied that where the operational outcomes were achieved, they have contributed to the benefit of the university. Management has however noted with concern the number of targets not achieved, particularly as they centre on significant issues of leadership, ICT and service delivery to students. However, arising from the 2015 APP assessment, there have been some significant learning experiences.

Firstly, with regard to the need for strict adherence to the set targets as part of the commitment to specific, measurable, attainable, relevant and timely (SMART) principles and accordingly, where there are proposed revisions to the approved objectives, such amendments must be communicated to the Minister (and not just based on Council approval).

In addition, the SMART principles militate against aspirational (stretch) targets, and future targets need to be set against well-considered and reasonable prospects of success.

Thirdly, every target must be supported by clear and considered implementation plans that take proper cognisance of the scheduled meetings at which targets will need to be approved.

Further, the current process of continual reporting requires a review that will ensure that quarterly reports submitted by business owners are individually and independently verified to assure the information provided to the Management and Council as supporting the achievement of the committed targets. Towards achieving this improvement, the online APP reporting portal is being revised and the Management Committee has also approved a monitoring and evaluation team in the Department Planning and Quality Assurance that will focus primarily on the implementation of the APP commitments and the follow-up on reports of business owners. The Council is assured that the learnings will be implemented in 2016 to realise a more successful achievement of the committed APP targets.

REPORT OF THE CHAIRMAN OF COUNCIL

As I have continually reflected, Unisa is a remarkable institution not only for its size and complexity but equally for its reach and contribution to the national higher education agenda. In my last year as Chairman of the Unisa Council, I want to pay tribute to the Management team for their commitment to the university, and to the staff of Unisa for their enthusiasm, innovation, and professionalism. The academic project remains characterised by development and creativity but most significantly, over the years I have seen an emerging understanding of the importance of academic freedom underpinned by good governance. This is very important, as Council has always taken a clear position that notwithstanding the university environment, good governance is integral to the success and sustainability of Unisa.

I want to further acknowledge my team of Council members whose unwavering support and passion to ensure the success, sustainability and relevance of Unisa has made my task as Chairman of the Council that much easier. 2015 saw the tenure of four stalwart members of the Council expire and I want to wish Mr SP du Toit, Ms JA Glennie, Mr ME Motala and Dr RH Stumpf well with whatever they choose to do in the future. I hope that they will remain involved with higher education as it would be a sorry loss to the sector were they to do otherwise. In 2015 the Deputy Chairperson, Dr S Mokone-Matabane as well as Dr ES Jacobson, Mr A da Costa and Mr BP Vundla withdrew from the Council and I wish to thank them equally for the contributions over the years and the gravitas and integrity that they brought to Council meetings. My own term of office ended in June and the Council was then led by the Deputy Chairperson for a while and later by Mr Sakhi Simelane (the erstwhile Chairman of the Audit and Enterprise Risk Management Committee). To both my successors I express my gratitude for the manner in which they continued to conduct the affairs of the Council.

Change is always a difficult time and I sincerely trust that the new independent non-executive appointees to the Council will continue the success story of the past years. I wish them much luck and they will always have my support should it be needed.

I also bid farewell to four members of the Senior Management team: Prof MC Mare who retired, Prof BJ Erasmus whose term of office ended, and Professor N Baijnath and Dr M Qhobela who left Unisa to become the CEO of the Council for Higher Education (CHE) and CEO of the National Research Foundation (NRF) respectively. The effect of their departures on the overall management of Unisa remains to be seen but I have confidence that remaining members of the Management are up to the task of ensuring that Unisa continues to stride forward. I also welcome the new Registrar, Prof GN Zide, Chief Financial Officer, Mr PRZ Zwane and Chief Information Officer/VP ICT, Mr Letsoalo.

During the year under review, the Council spent a significant time finalising the 2030 Unisa Strategic Plan, which comes into effect from 1 January 2016. This is the second major planning cycle in the history of the new Unisa. It was a task built incrementally on global macroeconomic trends, national socio-political and economic challenges, and the revitalised thinking for open distance learning and the higher education sector generally. Council specifically avoided massive disruption over a short space of time and the 15-year trajectory was chosen to coincide with the National Development Plan and enable change to be gradually introduced and more deeply embedded. The first phase of the planning cycle Unisa 2016–2020 will continue the change imperatives and projects that have already been identified, steering the university towards increasingly bigger developments, innovations and aspirations towards the 2030 objectives. I am satisfied with the risk-based planning process that was used to identify the 2030 strategic focus areas, and the introduction of a model of scenario planning greatly facilitated the preparation of the Unisa 2030 Plan. However, the successful implementation of the plan will bear testimony to the strength of the foundation that has been set by the 2030 planning framework. In any event, the non-static framework of the plan is sufficiently agile to provide for changes and amendment should the need arise. The revised university structure following the new strategy was also approved by the Council in 2015 and should contribute to the success of the implementation of the Strategic Plan 2016–2020.

It is with some measure of satisfaction that I recognise the increasing commitment to good governance at Unisa. I am cognisant of the challenges of bringing so-called 'business thinking and practice' into an academic space but Unisa has done exceptionally well overall in embedding a governance ethos. Whilst there is always room for improvement, it is heartening to hear staff and management freely engage on the issues of good governance and best practices within the context of a university. The ethics programme at the university, which was started during my reign as Chairman of the Council, has grown in success and I have always been an enthusiastic participant in the numerous strategic initiatives introduced by Unisa to continually bring staff and students on board towards growing Unisa's ethical culture. The idea of graduates for global citizenship underpins this value-driven thought paradigm and it is one which I hope to see rolled-out at more institutions of higher learning. It is critical that graduates exit the universities with more than just discipline-specific learning and specialisation – South Africa needs a nation of thought-leaders with integrity and who will make a contribution to the greater global socio-economic communities.

In 2015 Unisa introduced the Social and Ethics Committee as a Committee of Council notwithstanding that this is not a mandatory requirement. However, as a signatory to the UNGC and with a clear social mandate mission and purpose, this was a natural progression for the Council to ensure that it continued to be at the cutting edge of good practice and to set the tone, leading by example. The commitment to environment sustainability was given a significant boost by the agreement with the National Business Initiative (NBI) – this is the first public-private partnership that NBI has with a university and Unisa is understandably proud to be the identified institution. Overall it was pleasing to read that the ethics culture at Unisa continues to grow.

As part of the underpinning governance framework, the Council applies the principles of King III as a guide to best practice (and looks forward to the introduction of King IV). In line with the culture of good governance, Unisa's governance paradigm is undergirded by a strong risk management framework. Council has expressed itself on the importance of optimising risk management in order to achieve our vision and objectives. The approval of the institutional Enterprise Risk Management Framework, Policy, and Guidelines for Implementation will take this commitment a step further and 2016 will see a concerted focus on training and awareness of decentralised risk champions and business owners. The work that is being done towards a Combined Assurance Framework will also bolster the mitigation of strategic risks, which remain a concern for the Council. The AERMCoC continues to play a pivotal role in monitoring progress: however, Council is aware that notwithstanding the delegated function to the AERMCoC, it has not abdicated responsibility for risk governance, and regular reports from the AERMCoC are received by Council on the issues considered and areas for attention. Similarly, in the domain of ICT governance and financial management I am satisfied that Council and management have reasonable assurance that risks are being managed. However, this is an area that will demand continuing attention, awareness and understanding from the university as communities are challenged to begin to seamlessly integrate risk and governance praxis into each of their many functions.

There is no gainsaying that ICT is a significant pillar to the success and sustainability of Unisa. The Council has provided support to the university regarding the necessary resources for the maintenance of systems and development of new systems. However, I remain concerned when reading the external audit report and the 2015 annual performance achievements, as there appear to be significant challenges that the university will need to address if it is to leverage the benefits of ICT and ensure appropriate return on investment from the funds committed to the various ICT projects. Two areas of material concern are the implementation of the new Student System and the Student Relationship Management System: however, both issues are on the radar of the Management and the ICTCoC for 2016.

Unisa has a well-developed policy framework and all policies are approved by Council and reviewed every three years. The financial policy framework is no different and it cogently sets out both the implementation and regulation of the financial processes and allied activities at Unisa. Council has repeatedly expressed itself on the need for improved financial management, fiscal prudence and a greater emphasis to be placed on increasing third-stream income. All of these areas received attention during 2015. The 2015 budget, approved by Council, was based on a zero-based budgeting model taking cognisance of necessary austerity measures and Council has been consulted on the establishment of the Business Enterprise Unit which will be responsible for increasing third-stream income. However, the #FeesMustFall campaign and the decision to disallow any student fee increases for 2016 required that the budget be revisited to accommodate the greater financial constraint.

Last but certainly not least, Council is very satisfied with the progress made on the academic project. Both the Teaching and Learning, and the Research and Innovation Portfolios continue to make good progress ensuring the quality of the Unisa offerings. The Senate Report was a pleasure to read and Unisa is congratulated on its achievements. The continued success of the academic project and scholarship at Unisa must remain a priority: however, there remains a nagging concern that the sectoral disruption at the end of 2015, which seems set to continue in 2016, will have an impact on teaching and learning and student success in 2016. However, to strengthen its oversight in the areas of the academic project and student support, an Academic and Student Affairs Committee of Council will be introduced in 2016 that will serve as an important strategic filter on such issues.

I have little hesitation in describing Unisa as a large, complex and dynamic institution. However, I believe that the new leadership has all the necessary skills, competence and expertise to ensure that Unisa will remain a key contributor to South African higher education. Good luck for 2016–and onwards and upwards to 2030.

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Dr N Mathews Phosa
Chairperson: Unisa Council

01/01/2015–30/06/2015

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Dr S Mokone-Matabane
Acting Chairperson: Unisa Council

01/07/2015–04/12/2015

COUNCIL STATEMENT ON GOVERNANCE

This statement was approved at a full Council meeting held on 23 June 2015. The meeting was quorate and the documentation for approval by the Unisa Council was circulated with the meeting agenda in advance of the meeting and with due notice.

Unisa confirms the four pillars which constitute good governance, namely: authority, leadership, responsibility and accountability.

The statement on Governance is an expression of Council's and Executive Management's commitment to good Corporate Governance. Within the context of governance, Unisa confirms the four pillars which constitute good governance, namely: authority, leadership, responsibility and accountability. The statement thus accordingly confirms and affirms Unisa's commitment to good and effective corporate governance principles, which are underpinned by transparency, accountability, discipline, independence, responsibility, fairness, ethical considerations, efficacy, and social responsibility.

Council has over the years committed itself to embracing the King III Code of Governance and further taking into account the relevance of the now to come King IV Code of Governance. In embracing the principles of the King III and now IV, Council has consistently advised the Executive Management to act in a manner which promotes accountability and respect for due processes of the university. Council has endeavoured to apply the principles set out in the Code and where these do not necessarily apply to Higher Education, directly or otherwise, the spirit of the principles was applied.

Following the trend and the practice previously adopted by Council, the 2015 year under review epitomised the strict adherence to the compliance dictated and verified by the Department of Compliance.

In terms of Good Corporate Governance, and particularly with respect to the composition of Council, Unisa adheres to the 60:40 principle, which effectively means that 60% of the members of Council are non-executive (external members) and 40% internal members.

Unisa Council and Council Committees

The Unisa Council comprises 30 members including external, academic and non-academic persons appointed in terms of the Unisa Institutional Statute. A majority of the members (at least 60%) are, however, neither employees nor students of the university.

Unisa Council

Chairperson: Dr NM Phosa/Dr S Mokone-Matabane/ Mr S Simelane

In accordance with the principles of sound governance and the Institutional Statute, the role of the Chairperson of the Council is separate from the role of the Principal and Vice-Chancellor. The Chairman, Dr NM Phosa, was appointed in terms of the Institutional Statute (published in the Government Gazette dated 20 June 2008) which made provision for members to be re-elected for two further terms of office. This provision in the Statute was deliberately included to ensure that Unisa had the necessary continuity in the Council to take it through the turbulent merger period and ensure institutional stability. The Chairman's tenure came to an end in June 2015. The Deputy Chairperson Dr S Mokone-Matabane acted as the chairperson from 1 July 2015 until the end of her term on 4 December 2015 and Mr S Simelane was appointed the new chairperson from 4 December 2015. The revised Institutional Statute (published in the Government Gazette dated 19 December 2012) makes clear provision that members of Council serve only two terms of office, as

Unisa has reached a state of harmony and clarity that will not be negatively impacted by a leadership change on an eight-year cycle.

Matters referred to the Council for decision-making are set out in the Institutional Statute by custom and in terms of the Higher Education Act of 1997. Specifically, however, the Council remains accountable for setting and maintaining the strategic direction of Unisa, and the approval of major developments, and may require regular reports from management on the day-to-day operations of the business of the university.

The Council met six times during 2015. This means that there were four ordinary meetings and two special meetings of the Council. The meeting in September was, as always, preceded by the two-day annual strategic breakaway session of the Council, during which issues relevant to the strategic macro- and micro-level sustainability of Unisa and the post-school system generally were engaged.

The effectiveness of the Council is managed through an efficient committee structure. The committees include the Executive Committee (Exco), the Remuneration Committee (Remco) the Nominations and Governance Committee (NGCoC), the Audit and Enterprise Risk Management Committee (AERMCoC), the Finance Investment and University Estates Committee (Fincom), the Human Resources Committee (HRCoC), the Information and Communication Technology Committee (ICToC), the Brand Committee, the SBL Board, the Institutional Forum (IF) and Senate. A list of Council and Council Committee meetings is included on page 27–30 of this report and a list of decisions of the Council is available on page 30–33 of this report.

All the Committees of Council are formally constituted with terms of reference and comprise a majority of members of Council who are neither employees nor students of Unisa.

Committees of Council and their related functions

Remuneration Committee (Remco)

Chairperson: Dr NM Phosa/Dr Mokone-Matabane/Mr S Simelane

Remco consists of five independent members of the Council and meets at least twice a year. The committee is responsible for the remuneration of members of senior management on peromnes grades P1–P3, including payment of salaries on average at above the median and the payment of allowances to members of senior management. Remco operates within the parameters of its terms of reference, which are reviewed annually and approved by the Council as well as the appropriate remuneration policies applicable to senior management.

A critical focus area of Remco is its contribution to a performance-driven university by ensuring that members of senior management lead by example in terms of their own performance on agreed deliverables. Remco approves the performance bonus allocations to all members of senior management and, in the spirit of good governance and the interests of transparency, provides a summary report to the Council on all matters with which it has dealt.

Finance Investment and Estates Committee (Fincom)

Chairperson: Mr BP Vundla

Fincom recommends, among other matters, Unisa's annual operating and capital budgets, and monitors performance in relation to approved operating and capital budgets. It also interrogates financial implications of both capital development programmes and the annual operating budget, including the implications of resource allocation to strategic activities. It is responsible for ensuring the financial health of Unisa as a going concern and for ensuring that the accounting information systems are appropriate and the staff complement adequate and suitably qualified to maintain the accounting records of Unisa.

Fincom receives the quarterly investment reports from the external service provider appointed to manage Unisa's investments and monitors the investment income. It also attends to all matters relating to infrastructure development and the allied expenditure.

Nominations and Governance Committee (NGCoC)

Chairperson: Dr NM Phosa/Dr Mokone-Matabane/Mr S Simelane

The NGCoC considers nominations for vacancies in the Council membership in terms of the Institutional Statute. It also receives matters pertaining to institutional governance and makes recommendations to Exco and/or Council.

Audit and Enterprise Risk Management Committee (AEMCoC) including the Statement of the AERMCoC

Chairperson: Mr S Simelane

The Council operating through its Audit and Enterprise Risk Management Committee provides oversight of the reporting process required in terms of legislation and best practice. The AERMCoC is made up of seven independent members, none of whom is employed by or a student of Unisa. Five members of the committee (including the Chairman) are also members of the Council and the two remaining members were co-opted to the committee for their specialist skills and expertise. The combined qualifications and experience of the members of the AERMCoC are set out on page 33–36.

Both the internal and external auditors have unrestricted access to the AERMCoC, which ensures that their independence is in no way impaired. Meetings are held at least four times a year and are attended by the external and internal auditors and the relevant members of the executive management. The committee functions according to the Council-approved Audit Charter and, inter alia, ensures compliance with applicable legislation, the principles of good governance (as set out in King III), internal and external policies and the requirements of the regulatory authorities; monitors Unisa's combined assurance model and receives a quarterly combined assurance report which includes a consideration of ethics and sustainability issues at Unisa; monitors matters relating to financial and internal control, accounting policies, reporting and disclosure; monitors the activities, scope, adequacy and effectiveness of the internal audit function and audit plans; and evaluates the assessment of all areas of risk, including financial and ICT risks and their management.

The AERMCoC further reviews recommendations to the Council, the terms of reference of the committee as well as the Audit Charter and other policies and guiding frameworks pertaining to activities of internal audit, risk, compliance and sustainability. The committee recommends the institutional risk register to the Council and maintains a reporting system that enables it to monitor changes in the university's risk profile and to ensure that risk management is effective. Additionally, it reviews at least annually the internal auditor's assessment of risks and approves the internal audit plan to ensure that audits are appropriately conducted to mitigate the identified risks; reviews and approves the external audit plans, findings, annual audit management letters, problems, reports, fees and the annual assessment of the external auditors for purposes of recommending appointment/re-appointment to the Auditor-General; and after due deliberation and discussion with the external auditors, recommends the annual financial statements to the Council.

The AERMCoC is vested with the role of following up on a quarterly basis with all items raised in the annual audit management letter and internal audit reports to ensure that they are addressed and that actions previously taken to address issues are still in place and effective, thereby ensuring that the problems have not recurred.

During 2015, the AERMCoC continued to give specific attention to refining the quarterly combined assurance report, ensuring that critical issues were covered and that management responses clearly indicated ameliorating controls, where relevant. The report has been structured to allow the committee to follow the quarter-on-quarter trends and changes. The committee maintained firm oversight of the performance against objectives in respect of the annual performance plan, interrogating targets and the achievement of milestones on a quarterly basis.

The implementation of King III principles was monitored by the committee, which also revisited the principles previously deemed not applicable to Unisa. The committee recommended to the Council that the purpose of some of the previously excluded principles was relevant to Unisa and that the Council should approve their application with due adaptation.

The AERMCoC further considered the narrative governance reports for the 2015 Annual Report, as well as the financial statements and final management letter and audit reports, and recommended them to the Council for approval. The audit fee overrun was approved with the proviso that documentary evidence be provided to support the reasons for the overrun and the claims.

The AERMCoC was able to deal with all the issues, challenges, and critical issues that came under its gaze, and the 2015 Internal Audit Plan was satisfactorily achieved. However, notwithstanding the regular monitoring activities the AERMCoC notes with concern the 2015 Management Letter and Audit Opinion. The findings of the external auditors point to specific control weaknesses which were raised by the Internal Audit Reports, but appear not to have been adequately addressed. As part of its continuous oversight, the AERMCoC will refocus its approach in 2016 to ensure that the findings of the 2015 Management Letter, the Reports of the Internal Auditors, and the actions of the

Management are brought under closer scrutiny and that appropriate consequence management is applied. The committee has further emphasised to management the need to ensure appropriate urgency in finalising necessary internal controls in critical areas and reducing the numbers of repeat significant findings in the Internal Audit reports, and to safeguard that a similar outcome is not repeated in 2016 Management Letter.

Mr S Simelane
Chairperson: Audit and Enterprise Risk Management Committee

Dr N Mathews Phosa
Chairperson: Unisa Council

01/01/2015–30/06/2015

Dr S Mokone-Matabane
Acting Chairperson: Unisa Council

01/07/2015–04/12/2015

Information and Communication Technology Committee (ICTCoC)

Chairperson: Dr S Mokone-Matabane

Council is accountable for ICT governance, which role it fulfils through the ICToC, whilst management remains responsible for the implementation of the approved IT governance framework. The ICToC receives regular reports on the status of the updated IT asset register and evaluates significant IT investment and expenditure, with the support of Fincom which monitors the ICT budget and expenditure. ICT risk management and the appropriateness of the internal control environment are reported to the ICToC as well the AERMCoC through the quarterly combined assurance reports.

During the year under review several ICT projects were initiated or given further momentum in order to improve overall institutional performance and ensure the sustainability of Unisa. Many of the projects are aimed at replacing legacy systems which currently pose a risk to the institution with increasing interruptions in service and lack of stability; others are designed to introduce new functionalities to deal with the unbridled growth in student numbers over the last years. The increased student numbers have led to an exponential demand for services and efficiencies in a disjuncture with current ICT capabilities. The ICTCoC has monitored capacity planning and ensured that these issues are taken into account in the forecasting and design for the future.

The Human Resources Committee (HRCoC)

Chairperson: Dr ES Jacobson /Ms N Mokoka

The HRCoC approves, among other things, appointments to the level of director and makes recommendations to the Council for senior management appointments. It also considers general staff policies, remuneration and bonuses, executive remuneration and retirement funds and, where appropriate, makes recommendations to the Council.

Conclusion

It is with great pleasure to further confirm that the Statement of Governance adheres to the principles of natural and social justice, and abides by the legislative framework which regulates the effective running of the Higher Education institutions, e.g. The Higher Education Act 101 of 1997 as amended and the UNISA statute.

Mr Sakhi Simelane
Chairperson of Council

Prof Gordon N Zide
Registrar: Academic, Enrolment and Administration

Council and Council Committees

Membership of Council as well as participation in meetings of Council and Committees of Council are set out below:

LEGEND: Number of meetings held per committee in 2015

6 Council meetings
9 Exco meetings
5 HRCoC meetings
5 Fincom meetings
5 AERMCoC meetings
5 ICTCoC meetings
5 NGCoC meetings
5 SBL Board meetings
5 Remco meetings
1 Brand Comm meeting
1 SECoC meeting

Council is also represented on Senate (4 meetings), the Honorary Degrees Committee which is a joint committee of Council and Senate (2 meetings), the Institutional Forum (3 meetings), the Thabo Mbeki Foundation Unisa Board (1 meeting) and Convocation (1 meeting).

Category	Name	Status / Term of office	Committee membership (and attendance in 2015)
Principal and Vice-Chancellor	Prof MS Makhanya	Ex officio	1. Council (6 out of 6) 2. Exco of Council (9 out of 9) 3. Fincom (4 out of 5) 4. HRCoC (5 out of 5) 5. ICTCoC (5 out of 5) 6. NGCoC (5 out of 5) 7. SBL Board (3 out of 5) 8. Honorary Degrees (2) 9. Brand Comm (1 out of 1) 10. SECoC (0 out of 1)
Pro-Vice-Chancellor	Prof N Baijnath	Ex officio	1. Council (0 out of 2) 2. Exco of Council (0 out of 5) 3. Fincom (1 out of 3) 4. HRCoC (2 out of 3) 5. ICTCoC (3 out of 3) 6. SBL Board (0 out of 3) 7. Honorary Degrees (2)
Five persons appointed by the Minister	Ms JA Glennie	01.07.04 -30.06.07 01.07.07- 30.06.11 01.07.11- 30.06.15	1. Council (2 out of 2) 2. AERMCoC (2 out of 2) 3. ICTCoC (2 out of 2)
	Mr E Motala	01.07.11 -30.06.15	1. Council (2 out of 2)
	Dr I Tufvesson	01.11.14 – 31.10.18	1. Council (3 out of 6) 2. ICTCoC (1 out of 2) 3. SECoC (1 out of 1)

	Mr P Maharaj	01.11.14 – 31.10.18	1. Council (1 out of 6) 2. Fincom (0 out of 2) 3. ICTCoC (4 out of 5)
	Ms B Khumalo	01.08.15 – 31.07.19	1. Council (3 out of 4) 2. Fincom (1 out of 2) 3. NGCoC (0 out of 1)
	Ms NV Mokoka	01.08.15 – 31.07.19 **She was a co-opted member of the HRCoC before being appointed on Council*	1. Council (4 out of 4) 2. Exco of Council (1 out of 1) 3. HRCoC (5 out of 5) 4. AERMCoC (1 out of 1) 5. Remcom (4 out of 4)
	Mr B Ngcaweni	01.08.15 – 31.07.19	1. Council (4 out of 4) 2. ICTCoC (1 out of 2)
Two permanent academic employees who are not members of Senate, elected by the permanent academic employees	Prof S Dube	01.09.14 – 31.08.16	1. Council (5 out of 6) 2. SECoC (1 out of 1)
	Prof FJ van Staden	01.09.14 – 31.08.16	1. Council (6 out of 6)
Two permanent academic employees who are members of Senate	Prof IOG Moche	01.07.13 – 30.06.15 Reappointed: 1.07.15 – 30.06.17	1. Council (5 out of 6) 2. HRCoC (2 out of 2) 3. ICTCoC (3 out of 3)
	Prof RT Mpofu	1.07.13– 30.06.15	1. Council (2 out of 2) 2. Fincom (2 out of 2) 3. SBL Board (1 out of 2)
	Prof N Eccles	26.08.15 – 25.08.17	1. Council (4 out of 4) 2. ICTCoC (2 out of 2)
Two students, elected by the Students' Representative Council	Mr M Mabuza	01.04.14 – 30.03.16	1. Council (4 out of 6) 2. ICTCoC (3 out of 5) 3. Brand Comm (1 out of 1)
	Mr BM Njokweni	01.04.14 – 30.03.16	1. Council (3 out of 6) 2. HRCoC (2 out of 5) 3. SECoC (0 out of 1)
Two permanent employees other than academic employees, elected by such employees	Mr R Bezuidenhout	01.03.11 – 28.02.13 Re-elected: 11.06.13 – 11.06.15	1. Council (0 out of 1)
	Ms MSM Lengane	02.05.12 – 28.02.13 Re-elected: 11.06.13 – 11.06.15	1. Council (1 out of 1) 2. HRCoC (2 out 2)
	Mr OM Galane	06.10.15 – 5.10.17	1. Council (3 out of 3)
	Ms SP Malema	6.10.15 – 5.10.17	1. Council (3 out of 3)
Two members of the Convocation	Dr C von Eck (President of Convocation)	26.03.10 – 25.03.14 19.11.11 – 18.11.15	1. Council (3 out of 3) 2. AERMCoC (4 out of 5) 3. Convocation (1 out of 1)
	Mr S Mhlungu (President of Convocation)	07.11.15 – 08.11.19	1. Council (3 out of 3)

	Mr BP Vundla	01.07.04 – 30.06.08 01.07.08 – 30.06.12 01.07.12 – 04.12.15	1. Council (5 out of 5) 2. Exco of Council (7 out of 8) 3. Fincom (5 out of 5) 4. NGCoC (5 out of 5) 5. Senate (2 out of 4) 6. Remcom (4 out of 5) 7. Brand Comm (1 out of 1) 8. Convocation (1 out of 1)
Chairperson of the Board of the Graduate School of Leadership	Mr AA da Costa	01.07.04 – 30.06.08 01.07.08 – 30.06.12 01.07.12 – 21.05.14 (when he resigned from Council) Appointed Chairperson of the SBL Board (21.05.14 – 04.12.15)	1. Council (5 out of 6) 2. Exco of Council (1 out of 8) 3. Remcom (5 out of 5) 4. NGCoC (4 out of 5) 5. Fincom (4 out of 5) 6. SBL Board (5 out of 5)
One nationally recognised local government sector representative	Mr OSN Lebese	01.05.14 – 30.05.18	1. Council (6 out of 6) 2. Exco (8 out of 9) 3. HRCoC 4 out of 5) 4. IF (7 out of 9) 5. NGCoC (4 out of 5) 6. Brand Comm (1 out of 1)
One person nominated by the Board of Trustees of the Unisa Foundation	Dr PJA Mphafudi	Member of Council from 24.04.15	1. Council (5 out of 6) 2. AERMCoC (1 out of 1) 3. SECoC (1 out of 1)
Ten members with a broad spectrum of competencies in fields such as education, business, finance, law, marketing, information technology and human resource management nominated and elected by Council	Mr F Marupen	01.07.12 – 30.06.16	4. Council (2 out of 6) 1. Exco of Council (0 out of 6) 2. HRCoC (0 out of 3) 3. AERMCoC (0 out of 4) 4. Remcom (1 out of 1) 5. NGCoC (1 out of 4) 6. Brand Comm (1 out of 1)
	Mr S Simelane *Chairperson of Council from 04.12.15*	01.10.12 – 30.09.16	1. Council (5 out of 6) 2. Exco (8 out of 9) 3. AERMCoC (5 out of 5) 4. NGCoC (5 out of 5) 5. Remco (3 out of 5)
	Mr SP du Toit	01.07.04 – 30.06.07 01.07.07 – 30.06.11 01.07.11 – 30.06.15	1. Council (2 out of 2) 2. HRCoC (0 out of 3) 3. ICTCoC (0 out of 3)
	Dr NM Phosa *Chairperson of Council until 30.06.15*	01.07.04 – 30.06.07 01.07.07 – 30.06.11 01.07.11 – 30.06.15	1. Council (2 out of 2) 2. Exco of Council (4 out of 5) 3. NGCoC (3 out of 3) 4. Honorary Degrees (0 out of 1) 5. Remcom (1 out of 1)
	Dr ES Jacobson	01.07.04 – 30.06.08 01.07.08 – 30.06.12 23.09.11 – 30.06.12 01.07.12 – 04.12.15	1. Council (6 out of 6) 2. HRCoC (5 out of 5)

	Dr RH Stumpf	01.07.07 – 30.06.11 01.07.11 – 30.06.15	1. Council (1 out of 2) 2. Fincom (3 out of 3) 3. SBL Board (2 out of 2) 4. Senate (0 out of 3)
	Dr S Mokone-Matabane	01.07.04 – 30.06.08 01.07.08 – 30.06.12 01.07.12 – 04.12.15	1. Council (6 out of 6) 2. Exco of Council (7 out of 8) 3. Fincom (3 out of 3) 4. ICTCoC (3 out of 5) 5. Honorary Degrees (2 out of 2) 6. NGCoC (5 out of 5) 7. Remcom (5 out 5) 8. TMFU Board (1 out of 1) 9. SECoC (1 out of 1)
	Dr B Mehlomakulu *Deputy Chairperson of Council from 04.12.15*	15.09.14 – 14.09.18	1. Council (5 out of 6) 2. Fincom (3 out of 5) 3. Exco of Council (1 out of 1) 4. ICTCoC (2 out of 3)
	Mr L Tlhabanelo	15.09.14 – 14.09.18	1. Council (6 out of 6) 2. HRCoC (5 out of 5) 3. ICTCoC (5 out of 5) 4. SECoC (1 out of 1
	Ms TIM Wentzel	24.04.15 – 23.04.19	1. Council (3 out of 5) 2. AERMCoC (0 out of 1) 3. SBL Board (2 out of 2)
	Ms FE Letlape	24.04.15 – 23.04.19	1. Council (3 out of 5) 2. HRCoC (1 out of 2)
	Mr TG Ramasike	24.11.15 – 23.11.19 **He was a member of the SBL Board before being appointed on Council*	1. Council (1 out of 1) 2. AERMCoC (5 out of 5) 3. SBL Board (5 out of 5)
	Prof GM Nkondo	24.11.15 – 23.11.19	1. Council (1 out of 1)

Resolutions of Council 2015

Senior appointments and Council appointments	Changes in structure	Policies and terms of reference approved/ reviewed/revised	Other major decisions taken
Ms TIM Wentzel and Ms EF Letlape appointed members of Council in the category "persons with special skills and expertise	Prof S Vandeyar as Executive Dean: College of Education	Terms of reference of the Remuneration Committee of Council	Approval of the Unisa strategic plan for 2016 to 2020
Dr GS Moseneke co-opted member on the Finance, Investment and Estates Committee of Council	Realignment of portfolio of the Registrar	Terms of reference of the Nominations and Governance Committee of Council	Approval of the revised organisational structure of Unisa
Ms EL Swart co-opted member on the Audit and Enterprise Risk Management Committee of Council	Revised organisational structure of Unisa	Terms of reference of Council	Approval of the incorporation of the Daveyton Campus of the University of Johannesburg into Unisa

Ms P Lebyane and Prof PN Thuynsma co-opted members on the Brand Committee of Council	Reviewed the reporting line of the Change Management Unit	Code of conduct for members of Council and its subcommittees	Establishment of the Social and Ethics Committee of Council
Dr MC Kganakga and Ms TT Ngcobo co-opted members on the Human Resources Committee of Council		Terms of reference of the Executive Committee of Council	Extension of the disability income age of members of the Unisa Retirement Fund from 60 to 65 years
Prof V McKay appointed Executive Dean: College of Education		Terms of reference of the Finance, Investment and Estates Committee of Council	Extension of the contract of the Executive Director: Information and Communication Technology by five months
Prof MT Mogale appointed Executive Dean: College of Economic and Management Sciences		Policy on Study and Examination Assistance for Formal Qualifications	Posthumous conferment of an honorary degree on Dr Fabian Defu Ribeiro
Prof MJ Linington appointed Executive Dean: College of Agriculture and Environmental Sciences		Policy on the Employee Assistance Programme	Conferment of an honorary degree on Mrs Florence Barbara Ribeiro
Mr PRZ Zwane appointed Vice-Principal: Chief Financial Officer		Terms of reference of the Public Tender Technical Evaluation Committee	Conferment of an honorary degree of Doctor of Laws on Robert Mangaliso Sobukwe
Mr GM Letsoalo appointed Vice-Principal: ICT and Technology Support/Chief Information Officer		Revised membership of the Nominations and Governance Committee of Council	Conferment of an honorary degree of DCompt in Accounting Sciences on Prof WL Nkuhlu
Prof GC Cuthbertson appointed Executive Director: Change Management Unit		Revised Policy on Appointments of Senior Management and Secondments	Approval of the programme and qualification mix viability analysis for Unisa
Mr S Simelane appointed Chairperson of Council		Policy on Procurement	Approval of the report on the independent review of the integrated performance management system (IPMS)
Dr B Mehlomakulu appointed Deputy Chairperson of Council		Anti-fraud, corruption and irregularities statement and Policy on the Prevention of Fraud, Corruption and Irregularities	Approval of the Unisa's statement on xenophobia
Dr MM Socikwa appointed Vice-Principal: Operations and Facilities		Policy on Student and Sundry Debtors	Approval of the 2014 annual financial statements
		Policy on Travel, Accommodation and Related Expenses	Approval of the independent auditor's report: 2014 management letter and 2014 ICT management letter
		ICT Operational Change Management Policy	Reappointment of the external auditors
		Information Security Policy	Budget request for the secure printing project
		Data Privacy Policy	Annual approval of banking facilities

		ICT Mobile Device Policy	Lease of alternative property for Muckleneuk Print Production
		ICT Policy on Broadband Agreements	2014 annual report
		Revised terms of reference of the Social and Ethics Committee of Council	2015 annual performance plan as at 30 June 2015
		Revised Policy on Honorary Degrees, Awards for Meritorious Service and Honorary Licentiates in Music	2016 tuition fees
		Revised constitution of the Thabo Mbeki African Leadership Institute	Revised master plan of the Department: University Estates
		Supply Chain Management Policy	Renovations to the B-Block of the Theo van Wijk Building
		Policy on Official Signing Powers and Delegation of Powers and Duties: Finance	Repair the Unisa Science Campus Library and Muckleneuk Library
		Amendments to the Policy: Executive Development Leave for Members of Senior and Extended Management	2016 annual work plan of the Social and Ethics Committee of Council
		Revision of the human resources delegation of powers and duties: appointments and related aspects	Selection and admission criteria for honours degrees and postgraduate diplomas
		Policy on Job Descriptions	Conferment of an honorary degree of Doctor of Business Leadership on Mr BF van Niekerk
			2016 compact with Council
			Unisa strategic risk register for 2016 to 2020
			Status report on the 2015 annual performance plan as at 30 September 2015
			Budget for 2016
			Financial statements for the six months ended 30 June 2015 and consolidated revenue and expenditure report for 30 June 2015
			Supported the insourcing of workers at Unisa and the appointment of the Council's Multistakeholder Task Team to deal with insourcing
			Approval of the SBL budget for 2016 and a zero per cent tuition fee increment for 2016 Approved the Unisa culture statement

			Ethics risk and awareness assessment: 2015
			2016 annual performance plan and compact with the Minister

Qualifications and experience of the members of the AERMCoC

Member of AERMCoC 2015	Qualification and/or business experience	Period of service on the AERMCoC	Meetings attended in 2015				
			25.03.15	21.05.15	27.08.15	14.09.15	29.10.15
Mr S Simelane	• BCom (UniZul) • BCom Hons (Unisa) • Certified Government Auditing Practitioner (CGAP) • MBA (Regenesys) • Currently enrolled for MCom (Accounting) (Wits) • Chief Financial Officer: Mintek • Previous Chief Audit Executive and Chief Financial Officer: Department of Minerals and Energy • Over 10 years at executive level and solid experience in areas of financial management, auditing, information technology and process reengineering. • Chair: Unisa AERMCoC • Chair: Economic Development Audit and Risk Committee • Chair: Audit Committee in the Office of the Public Service Commission	01.10.12 – 04.12.15	√	√	√	√	√
Ms J Glennie	• BSc Hons: Mathematics (Wits) • MA (London: SOAS and Institute of Education) • Executive Director: South African Institute for Distance Education • Member: Sol Plaatje University AERMC Committee • Deputy Chair: Sol Plaatje University Council • Member: various NGO boards • Member: (Former) Unisa Audit Committee • Chair: Commonwealth of Learning Audit Committee (Vancouver) • Member: DHET Ministerial Committee on University Funding • Chair: Council on Higher Education (CHE) University Funding Review Team • Deputy Chair: Higher Education Quality Committee • Member: Council on Higher Education	01.07.11 – 30.06.15	√	√	——	——	——
Dr C von Eck	• BA • IAC Business Administration Diploma • MBL • DPhil • Professional designations: Cert Dir • Member of the Public Sector Audit Committee Forum: Executive Committee • Member of the Forum for Accounting Bodies • Chair: Anti-Intimidation and Ethical Practices Forum • President of the Convocation (Unisa)	19.11.11 – 18.11.15	√	√	√	√	X

Mr F Marupen	• BA Hons (UWC) • Higher Diploma in Education (UWC) • BEd Hons (UP) • Master's Diploma in Human Resources Management (UJ) • MBA (US) • LCOR (Stanford, USA) • Group HR Director: SAPPI, Ltd • Former Chief Human Resources Executive of ABSA • Acting COO of BUSA • Board member of Royal Energy • Board member of Institute of People Management (IPM) • Served on the board of Iemas Financial Services	01.07.12 – 18.09.15	X	X	X	X	——
Mr TG Ramasike	• Senior Executive Leadership Development Programme (SELDP) (GIBS) • BComm (Vista University) • CAIB (SA) (Institute of Bankers of SA) • Founder and CEO: Gerald group • Various operational and executive roles in the banking sector including: • Head: Franchising – Standard Bank • Head: Private Banking – RMB Private Bank JHB • Non-Executive Chairman and member of various boards including: • EIC Wealth Investors • African Unity Insurance Limited • Oasis Southern Africa	01.01. 10 – 21.12.15	√	√	√	√	√
Ms EL Swart	• M Com (cum laude) Financial Management (UJ) • Public Practice Examination (The South African Institute of Chartered Accountants) • BCom Honours Accounting (UJ) • BCom Accounting (UJ) • 2007 – 2010 Deputy Chairperson International Public Sector Accounting Standards Board (IPSASB) • 2004 – 2010 Member IPSASB • 2002 – 2003 Technical Advisor to Terrence Nombembe, then member of IPSASB • 1997 – 2000 Member of International Accounting Standards Committee (IASC) • 1986–Current CA (SA)	24.04.15 – 30.05.18	——	——	√	√	√

Ms NV Mokoka	• Certificate Programme in Finance and Accounting (Wits) • Master of Management (Wits) • Post-Graduate Diploma in Human Resources Management (Wits) • Diploma in Nursing Education (Unisa) • BA (Cur) (Unisa) • Diploma in Midwifery (King Edward VIII Nursing College) • Diploma in General Nursing (Frere Nursing College) • Founder-Owner CEO: Nosisa Mokoka Consulting cc • Director: Harmonic Africa IT Solutions (Pty) LTD (Board Chairperson) • Director/Founder-Owner: Cabogenix (Pty) Ltd • Acting Director: Strategic Support and Management Services • Director: Sport and Recreation • Head: Investor Relations • Strategic Support Advisor to Executive Director: Finance and Economic Development • Acting Executive Officer: Administration & Support Corporate Services Department • Manager/Internal Consultant: Organizational Development: Office of the CEO	18.09.15 – 30.04.18	——	——	——	——	√
Dr PJA Mphafudi	• MBChB. (University of Natal Medical School) • DCH (Diploma in Child Health) (College of Medicine of South Africa) • FCP (Paed) Fellowship of the College of Physicians with Paediatrics (College of Medicine of South Africa) • Founder Director: Kilimanjaro Investments (Pty) Ltd • Board of Directors: Lesedi Private Hospital Ltd, Sizwe Medical Services and Kwacha Holdings (Pty) Ltd • Trustee: Kwacha Pension Fund • Chairman of the Board: Lesedi Private Hospital Ltd • Board of Directors: National Sorghum Breweries Limited • Director: Subsahara Investments • Chair: Matla Leisure Holdings	18.09.15 –	——	——	——	——	√
	• Chair: Global Resorts SA (Pty) Ltd • Chair: National Sorghum Breweries Ltd • Chair: Rethabile Group • Chair: Desta – Power Matla • Executive Director: Broll Property Group (Pty) Ltd • Executive Chair: Mvelaphanda Strategic Investments (Pty) Ltd • Chair: Novare Actuaries and Consultants and Novare Investment Consultants • Chief Operating Officer: Mvelaphanda Group Ltd • Director: Life Healthcare Group (Pty) Ltd • Executive Chairman-Founder: Naledi Rail Engineering PTY Ltd • Executive Member: National Black Business Caucus						

Ms TIM Wentzel	• MSocSc (Clinical Social Work) (UFS) • National Director: National Council for Persons with Physical Disabilities in South Africa • Provincial Director: APD Free State • Community Developer: APD Free State	18.09.15 – 23.04.19	——	——	——	——	X

Dr N Mathews Phosa
Chairman: Unisa Council

01/01/2015–30/06/2015

Dr S Mokone-Matabane
Acting Chairperson: Unisa Council

01/07/2015–04/12/2015

COUNCIL STATEMENT ON SUSTAINABILITY 2015

In 2015 Unisa continued to roll out the Green Economy and Sustainability Engagement Model (GESEM) through the implementation of the Sustainability Framework. The various GESEM policy statements commit the university to environmentally sustainable practices as an intrinsic investment in the future of the institution, country, continent and world. These documents further commit Unisa to working towards environmental sustainability by creating awareness of more sustainable living practices and by addressing environmental challenges in every facet of the university's activities.

Three master plans, which will set relevant baselines and begin a gradual process of integrating sustainability initiatives into the university, were concluded under the leadership of the Environmental Sustainability Office. The plans include (i) a carbon footprint inventory and management plan to determine and update Unisa's emissions profile, set reduction targets, allocate responsibility and monitor progress; (ii) an energy management master plan; and (iii) an alternative energy master plan with a focus on solar power as part of the ground-breaking partnership with the National Business Initiative (NBI). Deliverables for these initiatives include training materials, reporting templates and policy drafts based on best practice.

Unisa's environmental responsibility is supported through the implementation of environmentally sound technologies. Only indigenous, water-wise and drought resistant plant species are planted in the Unisa gardens and building rubble generated in the redesign of gardens and walkways is re-used for filling. Mindful of the risk that seven cycad species may become extinct within the next 10 years due to illegal harvesting, Unisa is making every effort to maintain and grow its collection of cycads. At the time of its establishment in 1974 the cycad garden contained all of the 28 known classified species. Since then, a number of additional species have been classified and Unisa is endeavouring to add the outstanding 18 species to the garden in order to represent the complete known species list. Besides being a tourist attraction, the garden will serve as a site for research and learning.

> Unisa considers environmentally sustainable practices as an intrinsic investment in the future of the institution, country, continent and world.

In 2015, Unisa invested in 237 community engagement and outreach projects. Although community engagement projects in many cases do not have a single focus area, 26 of the projects have reported environmental sustainability to be their main project focus area. This is nearly double the 15 projects reported in 2014.

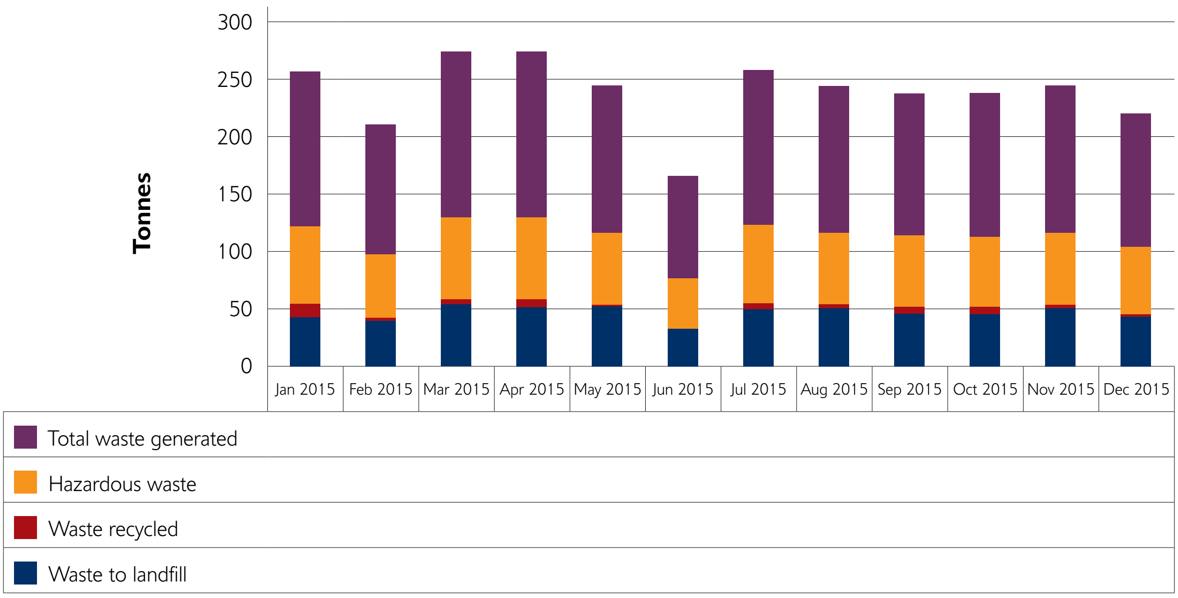
A pedagogical framework of integrating sustainability as an integral part of all outcomes is followed in Unisa's signature modules. The positive evaluation feedback received from both academics and students on the signature modules, which are compulsory for every student enrolling for a degree, testifies to the success of these modules.

Unisa's postgraduate and research outputs continued to engage issues of sustainability. On the initiative of the Environmental Sustainability Office, the Directorate Research requested the NRF to include sustainability as a specific field or niche area in its reporting system for researchers. Subsequently this field has been included and, from 2016 onwards, all universities will be able to track their research output in this niche area.

Notable research outputs related to sustainability include the keynote address during the 33rd International Conference of the Environmental Education Association of Southern Africa (EEASA) held in Swaziland; a number of presentations during the 26th conference of the International Council for Open and Distance Education (ICDE) held in South Africa; and the launch of the book entitled Climate Change Education in the SADC School Curriculum, co-edited by the Exxaro Chair in Business and Climate Change housed at Unisa.

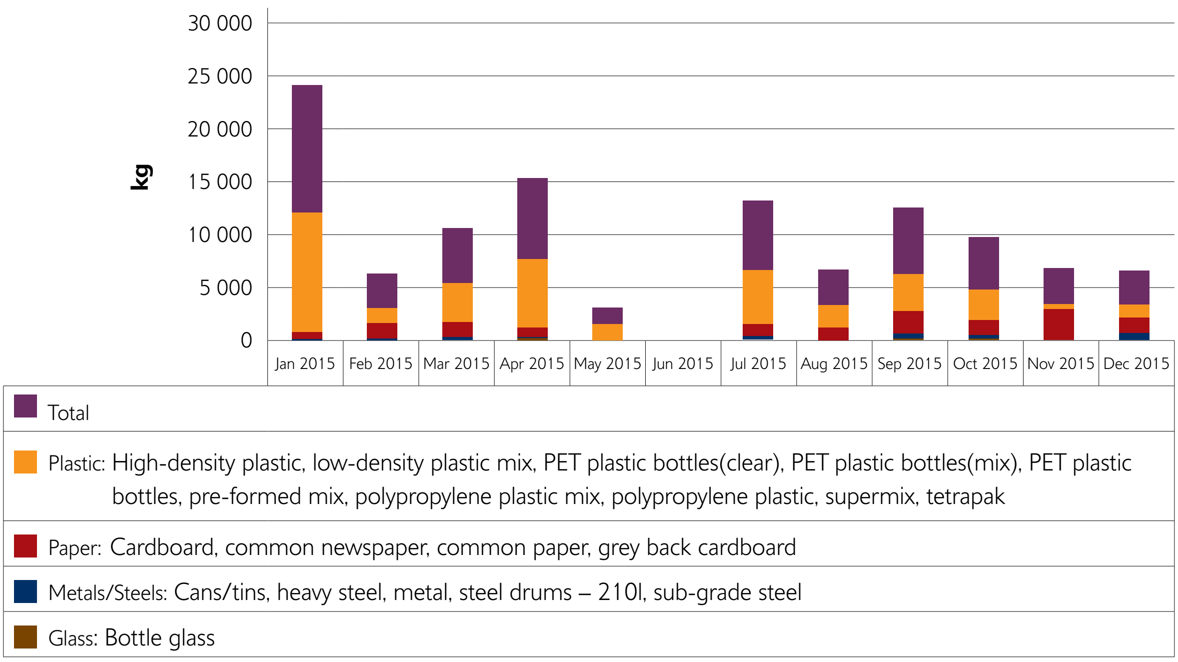
The nature of Unisa's operations demands that it deals with a range of waste types, including hazardous waste generated both by the laboratories on the Science Campus and by printing operations. Waste types are disposed of appropriately at all times and efforts to improve re-use and recycling – as opposed to sending waste to landfills – are continuous. The figure below depicts a summary of how various waste types were dealt with during the year. It is clear that there is room for improvement as far as the recycling of waste is concerned.

Figure 1: Summary of waste management (2015)



The university is, however, not in any way reneging on its responsibility to recycle. As indicated in figure 2, its greatest success in this regard has been in the recycling of plastics.

Figure 2: Recycled materials (2015)



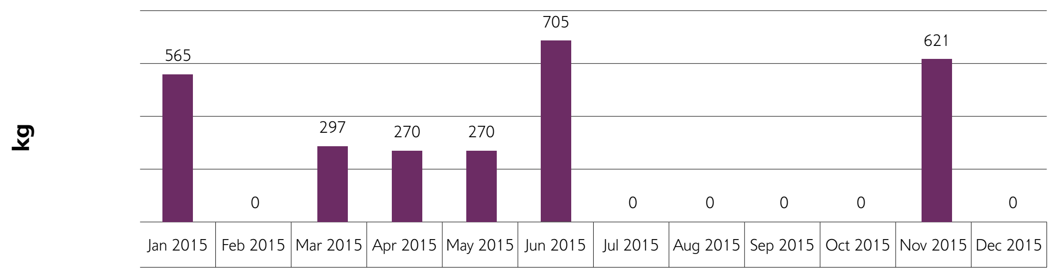
A waste paper indaba was held to increase Unisa staff awareness of and commitment to recycling and saving paper. Recommendations were made which were well received by the university and these are in various stages of implementation. Of these, probably the most significant was that all submissions to be made to Mancom, Senex, Senate and the Tender Committee for approval should include a section detailing the environmental impact and the waste generated as a result of the approval sought.

Furthermore, the persons responsible for implementing such decisions will be required to draft a detailed implementation plan indicating how the environmental impact will be mitigated and waste minimised and managed. All contracts with suppliers will include a section detailing the environmental impact and the waste generated by the activity and how this will be mitigated, minimised and managed by the supplier.

The ICT department continued to roll out the initiative to educate staff on resetting their computers default printing settings to back-to-back printing and disabling the banner sheet that is printed out with each print job.

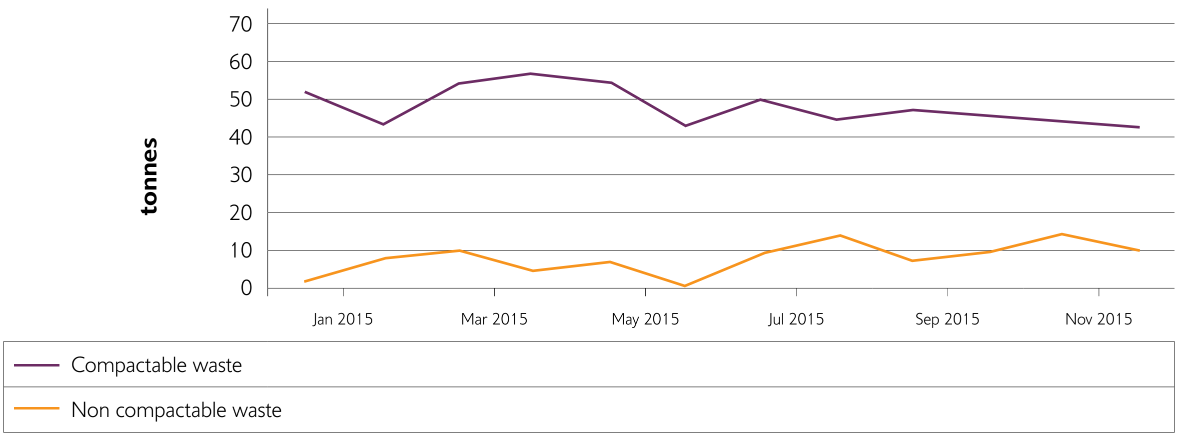
The most voluminous source of hazardous waste the university needs to dispose of is fluorescent tubes. Given that the average weight of a fluorescent tube is 280g it is clear from the data in figure 3 that the university is a big consumer of these lights. Figure 3 further indicates that the used tubes are generally stockpiled and disposed of when sufficient quantities can ensure a cost effective disposal process.

Figure 3: Disposal of fluorescent tubes (2015)



As far as waste to landfill is concerned, the university managed, with the exception of August and November, to keep its quantities of non-compactible waste to landfill to below 10 tonnes per month as indicated in the figure below.

Figure 4: General waste to landfill (2015)



Unisa is working hard to strengthen and build on the inroads that have been made into embedding the values of environmental sustainability in the university. The Council has heeded the call to provide a more engaged leadership by establishing a Social and Ethics Committee where issues relating to environmental sustainability are discussed.

In an initiative observing Arbor Day 2015, all directorates received a seed pack from which they will grow trees to be planted in communities that they identify during 2016. The educational value of this initiative to create an understanding of the perseverance it requires to nurture seeds into saplings and trees goes far beyond one action of planting a tree; it will stimulate the continued involvement of Unisa staff in the greening of their communities in years to come.

Dr N Mathews Phosa
Chairman: Unisa Council

01/01/2015–30/06/2015

Dr S Mokone-Matabane
Acting Chairperson: Unisa Council

01/07/2015–04/12/2015

TRANSFORMATION REPORT AND EMPLOYMENT EQUITY STATUS STATEMENT

Unisa's Employment Equity (EE) Plan 2013–2015 was reviewed in January 2016. One of the notable successes in the period under review was that African females showed a marked increase in representation, albeit mainly in the admin/support staff cohort. Noteworthy also is that African staff members' representation increased by 8.2% overall during this period in the colleges in the administrative/support category. The categories showing the highest numbers of appointments at Unisa during this period were African males and females.

With regards to persons with disabilities as a designated group, Unisa did not manage to make any significant progress between 2013 and 2015 in that the national target of 2% was once again not achieved. Unisa's employment of persons with disabilities remained steady at 0.9%.

In August 2015, Unisa commenced the process of developing the new Staff Transformation Plan 2016–2020. In the new plan, Unisa has ensured compliance in terms of the setting of quantitative targets by introducing across the board the use of the Economically Active Population (EAP) targets as provided by the Department of Labour. This adoption of the EAP targets provides a consistent approach to be taken throughout Unisa to ensure realistic progress that is both measurable and achievable during the period of the plan. These targets are reviewed annually and, likewise, Unisa will adjust to the most recent targets provided by the Department of Labour as part of its annual review of progress undertaken each January.

Economically active population targets			
Race	**Male**	**Female**	**Total**
African	40.3	34.9	75.2
Coloured	5.6	5	10.6
Indian	1.9	1.2	3.1
White	6.2	4.6	10.8
Total	54	46	100

Source: Statistics South Africa 2013

Another key improvement is that the college EE plans for 2016–2020 have provided separate analysis of academic and administrative/support staff in colleges.

Compliance with Sections 16 and 17 of the Employment Equity Act requires Unisa as an employer to consult with staff members specific matters including the EE plans. In order to ensure its further compliance in terms of its EE Forum structures, the Talent Management and Employment Equity Committee was disbanded and separated as per the requirements of the EE Act. (The combination of Talent Management and Employment Equity had rendered the Forum non-compliant with what is required from Unisa in terms of the EE Act.) Unisa's critical focus now is to re-establish a compliant and functioning Institutional EE Committee.

On college and administrative/support EE committee levels, training for members of committees was conducted to ensure effective and meaningful participation in these consultation forums.

Occupational level overview

The 2015 Unisa EE Report focuses on the profile as at the end stage of the EE Plan 2013–2015. The tables below indicate the status of permanent academic and administrative/support staff separately as at 31 December 2015:

Academic occupational levels

Occupational levels	Male				Female				TOTAL (excluding foreign nationals)	Foreign nationals		Grand total
	African	Coloured	Indian	White	African	Coloured	Indian	White		Male	Female	
Professionally qualified and experienced specialists and mid-management (4–6) including Professor and Associate Professor	80	10	14	165	48	7	8	145	477	56	14	547
Skilled technical and academically qualified workers (7–12)	261	13	19	141	205	11	47	314	1 011	51	36	1 098
Grand total	341	23	33	306	253	18	55	459	1 488	107	50	1 645

Unisa faces the challenge that African females make up only 8.8% of the 547 Professors and Associate Professors and African males 14.6%. White males at these senior academic levels account for 30.2% and White females 26.5%.

- The profile improves slightly at the Senior Lecturer, Lecturer and Junior Lecturer levels with African females at 18.6% and African males at 23.8%. White females are the highest represented group at 28.6%.

A number of colleges have indicated the challenge of their specific environments being classified as "scarce skills" areas. In the qualitative section of the colleges' EE plans, all barriers as well as the measures applied or proposed to address these have been recorded.

The following are among the measures taken in the various college EE plans to build academic capacity and grow future academics:

- Young Academic Programme
- Academic Qualification Improvement Programme
- Masters & Doctorate Support Programme
- Centre for Professional Development Programme
- Emerging Researchers Support Programme
- Grow Your Own Timber Programme
- Graduate Fellowship & nGap Programmes

The goal of such programmes at Unisa is to build the future numbers of African designated group academics in order to address barriers to the achievement of employment equity.

Administrative/Support occupational levels

Occupational levels	Male				Female				Total (excluding foreign nationals)	Foreign nationals		Grand total
	African	Coloured	Indian	White	African	Coloured	Indian	White		Male	Female	
Top management (1+)	1								1			1
Senior management (1–3) including Executive Deans and Deputy Executive Deans of Colleges	10	2	2	7	8	0	1	10	40	1	1	42
Professionally qualified and experienced specialists and mid-management (4–6)	123	14	10	75	112	7	13	93	447	6	6	459
Skilled technical and academically qualified workers (7–12)	822	39	29	169	1 058	68	40	404	2 629	7	8	2 644
Semi-skilled and discretionary decision making (13–16)	31	1			25				57			57
Grand total	987	56	41	251	1 203	75	54	507	3 174	14	15	3 203

African females are, overall, the highest represented group in the admin/support cohort at 37.6% – just meeting the economically active target of 34.9%. On the Senior Management level, they make up only 19% which means that they are under-represented in terms of the Economically Active Population targets. The figure for African males is slightly higher at 24%, but also does not meet the targets. Unisa, in its analysis of demographic representation, focuses on the overall perspective as well as on each occupational level.

Persons with disabilities: Occupational levels

Occupational levels	Male				Female				Total (excluding foreign nationals)	Foreign nationals		Grand total
	African	Coloured	Indian	White	African	Coloured	Indian	White		Male	Female	
Top management (1+)									0			0
Senior management (1-3)								1	1			1
Professionally qualified and experienced specialists and mid-management (4–6)	3	0	0	6	0	0	0	4	13			13
Skilled technical and academically qualified workers (7-12)	10	0	3	8	5	0	1	8	35			35
Semi-skilled and discretionary decision making (13–16)	2	0	1	0	0	0	0	1	4			4
Grand total	15	0	4	14	5	0	1	14	53	0	0	53

The national target for persons with disabilities is 2% of the entire workforce. Staff members who have declared disabilities total 1% overall and this important designated group is thus under-represented.

Unisa has real challenges ahead, but given the new approach taken by the Staff Transformation Plan 2016–2020 in terms of the setting of consistent and realistic targets, it is envisaged that progress will be made to ensure equitable representation throughout the university.

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Dr N Mathews Phosa
Chairman: Unisa Council

01/01/2015–30/06/2015

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Dr S Mokone-Matabane
Acting Chairperson: Unisa Council

01/07/2015–04/12/2015

REPORT ON INTERNAL ADMINISTRATIVE/ OPERATIONAL STRUCTURES AND CONTROLS

Unisa has a combination of manual, automated, administrative and operational structures and controls targeted at supporting the following goals:

i. Achieve the university's objectives in an effective, efficient, economical, socially responsible and ethical manner

ii. Provide accurate and timely financial information in accordance with financial reporting standards

iii. Safeguard assets and information

iv. Improve quality

v. Comply with legislation and regulations

The effectiveness of any system of internal control has inherent limitations, including the possibility of human error and the circumvention or overriding of internal controls. Accordingly, the existence of an internal control system can provide reasonable assurance only that the aforementioned objectives will be achieved. The university accepts that circumstances may change – and 2015 has been characterised by significant disruptions in both the micro- and macro-economic environment. Factors, which particularly influenced the sector towards the end of 2015, included the decision on zero fee increases and periodic mass protest actions. However, this situation was not unique to Unisa, as it occurred in the higher education sector generally.

The Internal Audit Department of Unisa is an independent and objective function that reports functionally to the Audit and Enterprise Risk Management Committee of Council (AERMCoC) and administratively to the Vice-Chancellor's Office. Internal Audit continually strives for best practice, including alignment with the International Standards for the Professional Practice of Internal Auditing (Standards) and the King III Code, among other things. One area that was identified for improvement in 2014 was combined assurance. In 2015, the Combined Assurance Task Team established the foundations for combined assurance, unpacking the King III principles and identifying the optimal processes and role players for combined assurance at the university. The model for combined assurance at Unisa will be presented to the Audit and Risk Management Committee of Council for approval in 2016. The importance of a strong and mature risk management process was highlighted as a key driver for successful combined assurance, and identified gaps were prioritised for development and further training in 2016.

Internal Audit reviews the system of internal control at Unisa in line with best practices. It conducts risk-based auditing and applies the ORCA (objectives, risks, controls, assessment) approach. This approach allows for assessing the completeness and adequacy of risk registers and evaluating the mitigation measures in terms of adequacy and effectiveness.

The results of the 2015 internal audit engagement have indicated that the university's system of internal control is, on average, partially effective. The hybrid state of the system of internal controls remains an area of challenge for Unisa. In 2015, the external and internal auditors coordinated their efforts. The external auditors focused on the statutory audit whilst Internal Audit prioritised the continuous assessment of the internal control environment. In addition, Internal Audit enhanced its advisory role by advising Management through consulting engagements and through recommendations in the internal audit reports. Upon receiving reports, Management has the discretion to accept the recommendations but, when accepted, they have to develop action plans with due dates for implementation. Follow-up internal audit engagements are then conducted within 6 to 12 months of the finalised audit to assess the implementation status.

The university made some progress on strategic projects in 2015. However, some of the projects, particularly for the implementation of new technologies (such as the electronic content management system, student system replacement, student relationship management system and supply chain management system) have not been executed at the pace required to ensure the university achieves its objective of becoming an ODeL university that supports its students through a blended delivery mode and that provides a satisfactory service.

In 2014, the AERMCoC approved the business continuity model (BCM), excluding the disaster recovery plan (DRP), for Unisa. The BCM and DRP are both work in progress and they have been prioritised for attention in 2016 owing to an adverse finding in the Management Letter. Other areas of concern, which have been noted by Internal Audit during the period of reporting, include inadequate and ineffective integrated planning and reporting; project management; expenditure management of infrastructure projects; management of financial resources; community engagement project management; human resources capacity challenges; contract management; percentage of permanent versus temporary employees; and critically so, consequence management.

Follow-up internal audit engagements performed during this period indicated that in some areas, managers had implemented the required controls to mitigate the risks.

In 2015, Internal Audit conducted 43 engagements (2014: 55 engagements) based on the AERMCoC-approved internal audit coverage plan. Nine planned engagements were not executed because the clients terminated the tasks that had to be reviewed and instead, follow-up audit engagements were performed in other areas.

The AERMCoC performs an oversight of external and internal audit activities and management's response to findings as well as the action plans implemented by management. The AERMCoC is informed of audit findings, recommendations and agreed management actions on a quarterly basis.

In 2014, Unisa received a qualified audit. Management initiated an audit remediation plan to remove the areas of qualification.

The university assessed its internal control systems as at 31 December 2015 in relation to the criteria for effective internal control over financial reporting described in its policies and procedures. The assessment is based on the internal audit and external audit findings. A formal self-assessment by Management of the university's internal controls was not done in 2015. Control self-assessment will be implemented from 2016 onwards. The University acknowledges that, as at 31 December 2015, its systems of internal control over its operational environment, information reporting and safeguarding of assets against the unauthorised acquisition, use or disposal of assets require attention and improvement in order to meet the set criteria optimally and functionally. The AERMCoC reviewed the report on internal administrative and operational structures and controls in the year under review at its meeting of 17 June 2016, which meeting was quorate and the documentation for approval by the Committee was circulated with the meeting agenda in advance with due notice.

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Mr S Simelane

Chairperson: AERMCoC

A Steenkamp

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Ms A Steenkamp

Chief Audit Executive

REPORT ON RISK EXPOSURE ASSESSMENT AND RISK MANAGEMENT

Introduction

The fast-paced world, changing environments, specifically the higher education environment, and constant innovation often pose risks in the shape of threats, but also create opportunities. Unisa acknowledges and accepts the dynamics in which it operates by maintaining an enterprise-wide risk management programme that supports the achievement of its strategic and operational objectives. The university is committed to managing its risks in a pro-active, ongoing and positive manner, considering not only the threats posed by such operations, but also the opportunities they present. Thus, Unisa has committed itself to a structured and systematic approach to risk management throughout the entire university in accordance with current standards and best practices.

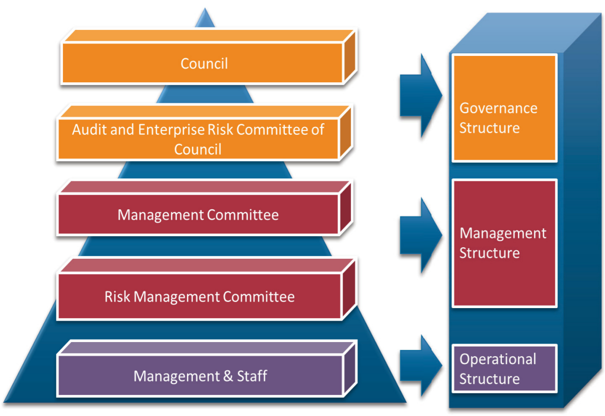
Risk management philosophy

In 2015 the Council approved a revised Enterprise Risk Management (ERM) Framework Risk policy and a clear set of implementation guidelines, which ensure flexibility and the relevance of the risk processes. The internal and external membership of the advisory committee that supported the development of the revised framework enabled Unisa to benchmark its processes against international best practices and align them, where applicable.

In order to ensure appropriate standards of vigilance, the Council has set the following parameters for risk management at Unisa risk management: (i) that Unisa pursues opportunities that will generate sufficient and sustainable performance and value; (ii) that Unisa will avoid intolerable risks; (iii) that Unisa manages residual risk in defined levels; and (iv) that Unisa must be prepared to respond to risks or appropriate opportunities when necessary.

Risk management governance structure

The university's risk management governance structure, roles and responsibilities are set out in the ERM Framework. The Council oversees the enterprise risk management process at Unisa supported by the Audit and Enterprise Risk Management Committee of Council (AERMCoC). However, it is recognised that risk is everyone's business and all the council committees play a role in identifying, monitoring and mitigating risk in their respective areas of focus and report identified risk issues to the AERMCoC or follow-up such risks. These structures are closely interlinked to ensure that the enterprise risk management process effectively complies with the relevant standards and works. At a management level, risk is managed by the Management Committee (Mancom) supported by the Risk Management Committee, which is a subcommittee of the Mancom. Operationally, Unisa has a Department Risk and Compliance which reports to the Vice-Principal: Advisory and Assurance Services. The following diagram depicts this structure:



The responsibilities of the various governance, management and operational structures are summarised in the table below:

Structure	Responsibility
Council	Ultimately responsible for governing risk.
Audit and Enterprise Risk Management Committee of Council (AERMCoC)	Monitors the adequacy and effectiveness of the system of internal control by reviewing risk management and internal control processes.
Management Committee	Provides the AERMCoC with quarterly reports on the performance of risk management.
Risk Management Committee	Monitors the risk management processes of Unisa.
Management and staff	Responsible for identifying, analysing, evaluating, handling, and updating risk information, and coordinating the implementation of action plans for risk monitoring and reporting.

Risk appetite and tolerance

In determining its risk appetite for risk, Unisa is cognisant of its primary funding source as a public institution; and of the fact that additional funds (third-stream income) are also generated from a variety of independent sources. Therefore, a deliberately cautious approach is adopted to risk, since an indication of irresponsibility or cavalier conduct will be detrimental to the university. The Council developed the risk appetite statement, using a qualitative approach; and it is assessed as part of the university's strategic planning process. In general, Unisa opts for a low level of risk appetite across most areas of operations. The university's low risk appetite relates to its teaching and learning objectives, including enhanced teaching processes and improved learner support, because the students are Unisa's main stakeholder grouping and the main aim of the university is to serve its students. Unisa also has a zero tolerance appetite level when it comes to matters such as the safety of employees and fraud.

The university acknowledges that it can further improve on the development of its risk appetite and tolerance policies. It also understands the importance of setting clearly defined risk appetite and tolerance levels; and intends to develop the concept further to make it more practical for its risk owners. The current levels were designed in accordance with the university's previous lower level of risk maturity. As a result of increased efforts to develop the risk culture, the risk maturity of the university has improved and Unisa will therefore enhance its methodology to meet the new maturity levels. This will also allow Unisa to take the new principles of King IV into account which place renewed emphasis on opportunities. The updated policy will include the concept of a risk and opportunity appetite and tolerance matrix that is clearly defined for risk owners against which they can conduct assessments.

Identification and assessment of risk

Unisa's structured, approved risk management process is detailed below. The process is rolled out throughout the university; and risk profiles are developed at strategic, operational and project level:

Communication and consultation

Establish the context
Consider the internal and external environment when establishing the risk profile.

Identify risks
Identify all uncertain future events (risk or opportunities) that may have an impact on the achievement of objectives. Emphasis is placed on the root cause and consequence analysis.

Analyse risks
Assess risk in terms of the consequence of inherent and residual risk values.

Evaluate risks
Plot risk against Unisa risk matrix in order to derive a prioritised list of risks for further action.

Risk treatment
Identify controls and action plans to manage risks to an acceptable level in line with the approved risk appetites.

Monitoring and reviewing

Strategic risk profile of the university

Unisa maintains an Institutional Strategic Risk Register that are reviewed on an ongoing basis by Management and the AERMCoC to record the most significant risks the university is currently faced with which require the attention of Management and the Council. The ERM Framework provides for a rating scale of 1 to 16 which is used to rate the impact and likelihood of each risk, with 16 being the highest exposure.

During the development of the Institutional Strategic Risk Register 2015 – 2016, 11 high risks (with a rating higher than 8) were identified and approved by the Council. The Directorate facilitated the Council's annual assessment of potential risks to achieving the strategic objectives and initiatives to enable proactive planning to mitigate foreseen threats. The main risks in achieving Unisa's strategy, as identified in the previous year, remained fairly similar. Three new strategic risks were identified, namely: (i) the financial sustainability risk; (ii) the inability to deliver on key strategic projects; and (iii) the safety standards in laboratories. It should be noted that even though stringent mitigation efforts were made to reduce the likelihood of the 2014 risks from reoccurring, the risks still remained prevalent in 2015 due to the ever changing nature of the external environment.

The bow tie method was introduced and implemented as a measure to assist risk stakeholders in adequately defining the risks affecting their objectives. The model assists in clearly distinguishing between the event, root causes and consequences so that distinct efforts (controls and action plans) could be made to mitigate the risk.

In respect of each of the identified risks, relevant mitigating controls to manage the risk were included in the 2015 Portfolio Plans. Risks are rated according to the following matrix:

Colour key	Risk level	Risk rating
	Very High	16
	High	9–15
	Moderate	4–8
	Low	1–3

The following Unisa Strategic Risk Register 2015–2016 was approved by Council in September 2015:

Headline risk	Description	Rating
Financial sustainability	Failure to maintain financial sustainability of an institution.	High
Key projects	Inability to deliver the strategic projects (as defined by industry standards on schedule and within budget.	High
Reputation	Loss of reputation as a result of the failure to provide quality service to students and other stakeholders.	High
Security of systems	Inability to implement systems and processes to protect the security and integrity of examination related information (including papers, marks and results).	High
Human resources	Skill shortages in critical areas as a result of attrition and loss of key staff, limited/no succession planning and the inability to attract appropriately skilled staff generally but more specific in the ICT field.	High
Safety (laboratories)	Failure to comply with and maintain safety standards in laboratories can result in harm to employees, contractors, students, communities near the Science campus.	High
ICT: Cyber crime	Possibilty that security and integrity of IT systems, information and data could be compromised due to cybercrime and cyber attacks to Unisa's IT infrastructure.	High
ICT: ICT and business strategy	Misalignment between business stategy and ICT strategy as a consequence the absence of an integrated enterprise architecture framework and inabilit of ICT to keep the institution at the cutting edge of ODeL.	High
ICT: Systems downtime	Loss of critical data and prolonged downtime as a consequence of the failure of critical systems and technology of a functional business continuity plan.	High

Enrolment growth	Inability to manage enrolment growth.	High
Optimal success rates	Failure to achieve optimal sucess rates (pass rates) and throughput rates, with the effect of compromising Unisa's long-term sustanability.	High
Transformaiton to ODeL	Inability to transform into a fully fledged ODeL institution as a result of the institution inability and/or unwillingness to optimise the utilisation of IT.	Medium
Legal and regulatory	Failure to comply with regulatory requirements resulting in interventions/fines/sanctions by authorities.	Medium
Stakeholders	Failure to close stakeholder expectation gap.	Medium
Research	Failure to achieve optimal research output.	Medium

With specific reference to financial risks, the university is exposed to credit risk, liquidity risk, foreign currency risk, interest rate risk and investment risk. As far as these can be assessed and quantified, the respective levels of exposure and the measures taken to mitigate such risk are described in the notes to the Consolidated Annual Financial Statements. The university's policy governing insurance and risk cover is set and monitored by the Finance Investments and Estates Committee (Fincom). Unisa is a participant in a national consortium of Higher Education Institutions, which provides cost-effective insurance and service expertise. Consequently, Unisa is adequately covered by its insurance policy against fire and related risks, accidental damage, business interruption, theft, and both public and employee liability.

Creating a risk-mature environment

The ability of an institution to evolve into a mature environment is highly dependent on the level of knowledge and understanding of the risks it faces at any given point in time; and the ability to respond to those risks proactively. This is critical for Unisa, because the university has committed itself to a risk-based strategic planning process. Thus, when developing plans, proactive consideration of risk is a key element of the Council and Management, and facilitates agreement on significant and material performance objectives. A risk maturity assessment was conducted by an external service provider which indicated that the risk maturity of the university is at level 3 (top down) on a level-5 rating scale (risk intelligent). Based on the assessment, certain activities were identified by the department to complete during the year 2015. In order to enhance Unisa's risk maturity, the following specific activities were conducted by the Directorate Risk Management:

- An exercise was undertaken by the Directorate to align the existing risk registers with the approved framework to ensure consistency and standardisation of reporting and information.
- The conduct of operational risk assessments continued to be a focal point in annual risk management initiatives. Fifty-eight risk assessments were completed for the year 2015. Adequate monitoring and reviewing of risks by management in their daily operations were emphasised. The directorate continued to improve the control environment by introducing measures to probe the effectiveness of existing controls and highlight control gaps identified when mitigating high risks.
- The Directorate developed a number of templates (reporting templates, risk identification templates and participant briefing templates) to simplify and enable risk owners and champions to identify and assess risks more easily and improve the quality of information.
- Unisa has prioritised learning and empowerment among the governance structures, senior management and its operational staff through a training and awareness programme. Training in risk management was conducted through a number of initiatives such as presentations, awareness sessions and formal classroom training. The aim of the training initiatives was to highlight the importance of managing risk in the institution and to operationalise risk management. Presentations on the importance of risk management are made at the beginning of all risk assessment sessions. Risk awareness sessions were conducted at 24 departments for the year 2015 and the remainder of the awareness sessions will be completed in 2016. Risk training manuals were developed and approved for formal classroom training that will take place in 2016.

- An operational risk maturity exercise was conducted throughout the university to assess the current state of operational maturity at Unisa. The results were analysed and a task plan was developed to improve operational maturity.

Although enterprise risk management at Unisa is maturing and there has been obvious progress, there is still important work to be done to embed an appropriate integrated risk culture. Risk management is an ongoing evolving capability. The remediation strategy the university has adopted is an investment in continuous awareness and an improvement; and it is hoped that the emerging positive changes will inspire further action. Some of these risk management initiatives for 2016 include the following:

- Implementing and monitoring initiatives identified from operational risk maturity assessment.
- Facilitating continuous enhanced risk communication, awareness and training.
- Strengthening risk maturity in the university at all levels by harnessing our risk management culture.
- Reviewing and updating the risk appetite and implementing risk tolerance levels in the university.
- Reflecting a more holistic profile in conjunction with other risk disciplines.
- Assisting with the implementation of combined assurance throughout the university.
- Understanding the importance of conducting risk assessments for all strategic projects; and identifying threats proactively to reach the project objectives and assist in creating confidence that the projects will be completed successfully. Due to limited resources the focus will be mainly on major strategic projects in the upcoming year.

The allocation of adequate resources and implementation of a new risk system is crucial for the success of the planned risk mitigation activities in 2016. This was one of the biggest challenges that the Directorate Risk Management faced during 2015.

Conclusion

Unisa is committed to improving its risk management processes continuously in pursuit of its objectives, with the ultimate aim of creating and ensuring the sustainability of its core business – the academic project. Recognition for the need of a proactive risk management process is an essential element of good corporate governance processes and a crucial enabler in realising opportunities. It is essential that risk management is understood as an integral component of all process and that it is not identified as an add-on to the core business activities. Unisa's aspirational trajectory for 2016–2020 is improving the institutional risk (and opportunities) maturity and transforming the university into an integrating and seamlessly practicing, risk-informed decision-making institution at all times in all areas.

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Mr S Simelane

Chairperson: Audit and Enterprise Risk Committee of Council

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Professor D Singh

Chairperson: Risk Management Committee

STATEMENT OF THE PRINCIPAL AND VICE-CHANCELLOR ON LEADERSHIP, ADMINISTRATION AND OPERATIONAL MANAGEMENT

The year 2015 marked the final year of the 2005–2015 phase of Unisa's Strategic Planning cycle and this was reflected in the rhythms and performance of the University. The institutional ethos and practice of Servant Leadership – supported by the Institutional Charter on Transformation and which is now firmly embedded in the institution – were tested by the externally-driven socio-political dynamics which arose towards the end of the year and proved to be enduring in the face of sometimes difficult circumstances. Much of this success can be ascribed to the continued openness to free and frank discussions on institutional and transformation issues, an accretive and developmental practice of teamwork aimed towards cohesive leadership, management and task completion, as well as to a deliberate increase in programmes dedicated to personal and professional staff development. However, it has also become evident that the institutional culture has been adversely affected by the protest action and that this will need to addressed in a systematic, proactive and constructive way in 2016.

Effective planning

The annual extended Makgotla focused on refining, finalising, familiarising and embedding the 2016–2030 Strategy preparations for year one, namely 2016. The Vice Chancellor's Summit (which includes both extended management and managers to the level of Departmental Chair) was very well attended and was similarly used to explain and embed the Strategy and to engage on and finalise the Institutional Values. During both the Makgotla and the Summit, Unisa's African Identity and direction were illuminated and the importance and practice of institutional governance, including ethics and risk management best practices, were more deeply embedded.

The increasingly bureaucratic policy and regulatory environment brought compliance to the fore, prompting closer attention to due process, especially around financial management. An unfavourable audit finding necessitated a thorough review of the institution's compliance measures, accompanied by appropriate accountability checks and balances. Improvements were noted in 2015 and the monitoring and management of this aspect will continue for the foreseeable future.

There was an increased emphasis on the completion of agreed planning actions as per the Compact with Council and the Annual Performance Plan with the majority being completed on time. The performance objectives in the 2015 Pre-determined Objectives Compact with the Minister were identified because of the material impact they would have on Unisa's service, quality and sustainability (including financial sustainability) commitments. Council approved the Compact highlighting the achievement of set targets as an institutional priority. The results are reported on in the Performance Assessment Report on page 15–19 and indicate areas of particular disquiet, given that some of the targets not achieved in 2015 had already been carried over from 2014. While 2015 did see a strong emphasis on project completion so as to ensure that no legacy projects would be carried over to the next strategic planning phase, those which were not completed prompted a review of our planning practices and our institutional capacity so as to ensure that the objectives would be more realistic and achievable. The review process will be finalised in 2016.

Students – our priority

Student Centredness remains at the forefront of Unisa's operations and 2015 saw the continuation of efforts to build on Unisa's relationships with its students as a key stakeholder group – especially through improved service and support as evidenced in the Ministerial Compact. However, while some progress was made on service delivery in 2015, the commencement or "going live" of crucial new systems presented some serious systems hiccups which, in turn, posed numerous challenges for students. This resulted in negative press for the University and understandable levels of frustration for staff and students alike. It is likely that it will take some time before the systems are functioning optimally and, to that end, there is ongoing monitoring, evaluation and correction of glitches, to ensure the least possible disruption for students.

There has been satisfying movement in Student Affairs as regards identifying and accommodating the needs of students. This has been facilitated through Advocacy and Resource Centre for Students with Disabilities (ARCSWiD). The first of August 2015 saw the appointment of a Deputy Director for ARCSWiD, charged with further overseeing the best interests of Unisa's disabled students. 2015 also saw the implementation of the audit recommendations, the establishment of an accessible, well-resourced, multi-purpose computer centre and a laboratory in each of the seven Unisa Regions, each equipped with desktop computers and other necessary technology. Hi-tech equipment was installed in all 23 Unisa regional centres in 2015 and, in response to the Western Cape RSRC memo of demands, ARCSWiD provided training to staff and students in respect of the equipment in the multipurpose computer laboratories. Orientation and mobility training was also offered to visually impaired students. Numerous advocacy and awareness-raising programmes were also provided for ARCSWiD staff and students. In addition, a number of social development programmes and initiatives were also held or launched in 2015 with the aim of ensuring increased awareness and support for and of student social, health and wellness issues.

The Information Services Division's (ISD) highlights for 2015 included the linking of the former Unisa Call Centre to ISD systems, the SITS system implemented in collaboration with DSAR, application processes and systems training, registration refresher training and ISD & CC&M regional communication strategy presentations. However various challenges presented themselves, including capacity constraints and the service failures already alluded to above. These continue to be prioritised for remedial action.

In 2015, Unisa committed to prioritising the implementation of the three new core ICT systems, the Student Relationship Model (SRM) solution in particular. The ultimate goal of SRM is to establish coordination, standardisation and cooperation between Unisa departments, between Unisa and its students, and between Unisa and its prospective students. All of this is focused on query-resolution and the management of communication across a multitude of channels consisting of: (i) web care (e-mail response management system, knowledge-base, SMS and web self-service, (ii) advanced web care (chat, analytics, social and chatbot) and (iii) voice care and (iv) integration of Unisa legacy and new systems. Achievements so far include: technical go-live for the e-mail response management system and SMS-completed system; implementation of the knowledge-based platform prepared for creation of snippets of knowledge; completion of the web self-service platform; training of 95 users from Finance, Information Services, Library, College of Human Science and Decision Sciences (in December 2014); the piloting of phase 1 components; implementation of the e-mail response management system, SMS and knowledge-base underway with the Library; the training of trainers from Division ICT, Regional Offices, CC&M, the Library Department and CEMS (for completion in 2016); completion of the scope of work and configuration of chat and chatbot, voice care components (telephone), and voice care recording. The roll-out and completion of a variety for the stages up to stage 3 will continue in 2016 and beyond.

Unisa continued to meet, train and engage with the student governance structures on a variety of institutional initiatives and in various fora. Leadership and development training was provided and the socio-political dynamic presented by the #fees-must-fall and worker insourcing initiatives ensured lively participation in a number of institutional committees and engagements. This engagement will also continue into 2016. Challenges remain around the SRC's academic performance, the administering and managing of SRC registration rebates and ongoing student protests. Nonetheless, every attempt is being made by management to arrive at constructive and feasible outcomes.

It has been pleasing to note the concrete progress made in this department in 2015. However, many serious challenges remain, especially with regard to managing the socio-political environment at the university while ensuring a quality student experience.

Being ethical and responsible

The socialisation of ethics forms the basis of promoting and maintaining sound corporate governance for a sustainable and positive institutional reputation. Further strides in the inculcation of an ethical culture were made during 2015 through pre-Senex ethics discussions, the Vice-Chancellor's monthly Ethics Roundtables, the fortnightly Mizzity ethics snippets, Trade Union (NEHAWU) shop steward engagements on ethics (which resulted in a recommendation of a shop steward task team on ethics), ethics awareness training during induction of new staff, Pop-in-for-Ethics conversations with staff, Unisa radio ethics talks, ethics conversations directed to academic through colleges, my own blog ("In my life I have learned ...") and by providing safe spaces for (often conflicting) viewpoints around ethics. Regional ethics training sessions were also conducted on the Unisa ethics-promoting policies including the Code of Conduct and Ethics. The turn-out of Unisa staff members at these sessions was excellent, and the reception was positive, ensuring that expectations were met.

One of Unisa's focal points in 2015 was leadership, while there was also a focus on the "ethics of gender" and "our ethical barometer" via panel discussions, with the Honourable Chair of the House in Parliament, Thoko Didiza and Advocate George Bizos as the respective keynote speakers. Both activities were reported in various media with the support of the Unisa Communications and Marketing team, eliciting positive publicity for the institution.

Unisa's new values were also discussed on various ethics platforms during 2015 and it is evident that while the values were accepted, much work remains to be done in inculcating both a shared understanding of the values and the values themselves. Awareness initiatives around the values will be accelerated and increased in 2016. The intention in 2015 was to activate the notion of ethics execution (as opposed to merely ethics awareness) as Unisa has reached a point where execution is the more critical focus of our engagement and endeavours. It is the key aspect of the new ethics strategy that is currently being developed for 2017–2020 (overlapping 2016).

In further entrenching an ethical culture, the ethics office gave an opportunity to Unisa staff to attend the Ethics Officer Certification Programme. In 2015, twelve staff members had the opportunity to attend this programme. In addition, progress on the ethical reasoning and performance of the institution emerged through a number of initiatives. In comparison to 2012, the 2015 ethics culture assessment portrayed increased institutional ethics awareness and ethical performance.

Ethical standards that were positively reported on involved acts to prevent plagiarism by students, academic principles and behaviours, confidentiality of information, assets used for their intended purpose, accessibility of administrative staff, taking responsibility for decisions, ethical issues forming an integral part of Unisa's culture, adherence to Unisa policies, procedures and processes, honesty, integrity, respect, courtesy, professionalism and civility. Awareness of the Unisa Ethics Hotline service and reporting of unethical conduct were found to be high. Positive change has occurred over the last three years with greater change occurring in the promotion of ethical standards, followed by ethics management, ethical culture and ethical behaviour. The ethics helpline remains a trusted internal reporting mechanism with a number of ethical issues being dealt with and resolved as a result of this facility.

All mentioned ethics projects are continuing into the next financial year, along with the inclusion of students and student leadership in ethics conversations, thereby promoting the idea of cooperative ethical governance in the institution as well as regionally, continentally and internationally – in particular through Unisa's partnership with the Globethics Network to promote ethics in the higher education sector in the Southern African Region.

Improved business systems

ICT at Unisa is a critical area of growth, development and sustainability here is essential. During 2015, ICT began positioning itself as a critical support unit and enabler of the vision of the university as an ODeL university of excellence, through the implementation of the ODeL model.

During 2015, work continued on the mega project to replace the Legacy Student System. The Academic Model was implemented successfully as a main source of the qualifications across the university. The Application module with Enrolment Management and associated financial transactions was implemented on the new Student Information System (SITS) and this module was used by students and staff for admissions in the first semester.

In line with the ICT 2011–2015 Strategy, ICT embarked on a number of strategic projects in 2011. In support of these initiatives, ICT also started building an expanded, available, fast and secure network. By the end of 2015, 34 of 41 remote sites that require connectivity had been connected to the SANReN backbone via dedicated fibre cables or via radio connection to the nearest SANReN point of presence (PoP). The remaining sites will continue to be serviced by third party service providers until alternative communication links can be identified.

The Archibus system was successfully launched during 2015. Staff use this application to log requests with University Estates for maintenance services and to track the progress of requests.

Unidrive was implemented and launched as part of the Electronic Content Management (ECM) project. Staff use Unidrive to store documents securely in a central web-based location from where collaboration and sharing of intellectual property can take place. Additional features include version control of documents in the collaborative space.

The development work was completed on the project to configure the Oracle HR system to accommodate the records of temporary staff. By the end of 2015 the migration of temporary staff records from the Legacy Student System to the Oracle HR commenced using a phased approach.

ICT supported Unisa academic staff to implement three modules for the Alternative Assessment project. These are: ePortfolios, Take-home and Timed Exams, as well as Multiple Choice Question (MCQ) Examinations.

In support of the successful implementation of projects, ICT established a Change Management Office. The change managers assisted with the adoption of new technologies and processes by Unisa staff through organisational change management. Furthermore, the ICT User Education and Training division made significant progress in moving away from contact/classroom training to online training in support of new applications. This makes training material available to staff at any time and anywhere that they have access to an internet connection.

During 2015, ICT focused on maturing governance processes so as to improve service delivery and minimise service disruptions. The COBIT[3] framework was adopted and implemented and a number of critical ICT processes were matured to Level 3. One of these processes is the ICT Change Management process that relates to the management of operational and emergency change requests.

As part of the development of an enterprise architecture for Unisa, the ICT Enterprise Architecture team was strengthened with a view to ensuring the integration of applications and to standardise the ICT architecture.

ICT suffered a leadership loss through the resignation of both the Pro-Vice Chancellor and the Executive Director ICT towards the end of 2015. However, in respect of the latter post, the appointment process was immediately launched for a suitable replacement so as to ensure that 2016 would commence with a leader at the helm of ICT.

3 Control Objectives for Information and Related Technology

Management and administration

With the adoption of our new 15-year strategy – and, more specifically, the first five-year phase of that strategy, namely Unisa 2016–2020 – there was a need to review and align our organisational structure. The new management structure for the University was approved by Council on 24 April 2015. The implementation of new structure commenced in 2015 using a phased approach and, as a result, a variety of new faces joined the university during the year. 2015 saw the appointment of a Chief Financial Officer, a Registrar: Academic, Enrolments and Administration and a Vice-Principal: ICT/Chief Information Officer. Other management positions that became vacant during 2015 were the Vice-Principal: Operations and Facilities, Vice-Principal: Institutional Development and Transformation and Vice-Principal: Teaching, Learning, Community Engagement and Student Support. The positions were prioritised for filling during 2016.

As far as staffing is concerned, 2015 has seen a nett gain of 49 employees (new appointments: 231 less terminations: 182). Reaching the targets that we set in our employment equity plans plays an important role during recruitment initiatives. However, Unisa is clear that the staff transformation agenda goes beyond mere numerical values and must include quality training and development opportunities for all new and existing employees.

The financial implications of the socio-political dynamics that affected our institution at the end of 2015 have made it imperative that staffing and other capacity needs are managed within a budgetary framework that takes changed financial challenges and demands into consideration.

Communication and marketing

Unisa's Communication and Marketing Strategy (CMS) – 2014 to 2016 is aimed at advancing the institutional goals. Thus, during the year under review, a range of integrated communication and marketing activities were executed in order to build Unisa's reputation as a high-performance ODL university with demonstrated impact, to forge and maintain positive relationships with Unisa stakeholders and to engage staff with the Unisa brand to motivate desired attitudes and behaviours.

Continuous profiling of outstanding academics, relevant and cutting-edge research and impactful engagement not only resulted in positive media coverage but also contributed to building Unisa's reputation as a high-performance and relevant African university.

Affirming Unisa's reputation as a leading ODL institution and important role-player in the global higher education environment, Unisa hosted the 26th International Council for Open and Distance Education (ICDE) World Conference on the topic of "Growing Capacities for Sustainable Distance e-Learning Provision" in October 2015. Held for the first time on African soil, the conference attracted 900 delegates from 67 countries. Besides the extensive media coverage generated during the conference, Unisa, in partnership with University World News, published pre and post-conference supplements that were distributed during the conference and posted on related online academic platforms, all of which served to place the conference under the gaze of a global audience.

To reinforce Unisa's commitment to social transformation and the role it plays as a thought leader and facilitator of open discourse, the university entered into strategic partnerships with the *Sowetan* and *Mail & Guardian* newspapers. The Unisa-*Sowetan* dialogues were comprised of a series of dialogues with the aim of instilling a new appreciation of South Africa's history projected against the new socio-economic and political realities of our developing democracy. The Critical Thinking Forum series, hosted in partnership with the *Mail & Guardian,* was aimed at the critical thinkers, decision makers and influencers in media, government and society at large, and created a platform for critical thinking on matters central to the national discourse.

Unisa's key stakeholders are its students, hence the importance of a positive relationship. A student communication strategy that places students at the centre of what the university does as a learning organisation and that provides Unisa with guiding principles to govern its communication behaviour was developed in 2015. The strategy outlines the key communication moments and categories, sets guiding principles based on best practice and identifies key communication channels. It also identifies key roles and responsibilities in a new student communication dispensation and lists the requirements for achieving the latter. Implementation of the strategy from 2016 onwards should assist in improving the relationship between Unisa and its key stakeholder grouping.

Employee relations

In 2015, Unisa finalised 41 disciplinary cases. The sanctions in the cases varied from dismissal, written and verbal warnings to corrective counselling. Of the 41 cases, five resulted in dismissals, twelve in final written warnings (of which five were coupled with suspension without pay), four in written warnings, one suspension without pay and thirteen in corrective counselling. In four cases the individual was found not guilty, in one case charges were withdrawn and one contract terminated before the case was finalised. Thirteen of the cases were finalised through the pre-formal procedures, six were referred for corrective counselling and seven were referred for managerial discussions.

There were 60 grievance cases reported in 2015. Most of the cases (28) related to harassment and bullying. Eight of these cases were serious in nature to the extent that they were referred for disciplinary action. There was an increase of 68% in the number of grievances from 2014 to 2015. This was due to the number of cases related to harassment and ad hominem promotions. (In 2014 and other years preceding, there were no ad hominem cases reported.) The establishment of the Anti-Harassment Office and the rollout of awareness training encouraged employees to report incidents related to harassment, hence the increase in the number of harassment cases reported.

There has been a concerted effort to shorten the time taken to complete disciplinary hearings and grievances and this bore fruit in 2015. This initiative will continue into 2016.

Quality education

For Unisa to remain competitive and socially responsive the quality of its products and services as well as its value proposition to staff, students and stakeholders must remain beyond reproach. The quality challenge, given the size and shape of the university, rests in the inculcation of a quality culture that embraces quality management within all institutional policies, procedures, processes and systems. The management of quality remains a key responsibility of all process owners and the culture is supported by an institutional quality policy, frameworks and instruments. The culture of quality within the higher education landscape remains developmental in nature and provides reasonable assurance that policies, procedures, processes and systems promote an inclusive quality learning experience.

Unisa also regards Quality Assurance (QA) as a developmental process and regularly reviews its policies, processes, procedures, plans and practices. To this end the Department of Planning and Quality Assurance (DPQA) has been mandated to engage in internal and external quality reviews to monitor and evaluate the effectiveness of key institutional processes to ensure a unique and quality learning experience for all students. The DPQA promotes quality through dedicated annual QA awareness and evaluator training sessions.

Internal review processes

The internal review process includes the evaluation of academic and support departments according to set quality standards. Focus group sessions were conducted with all stakeholders from February to April 2015 to revise and review the quality standards included in the quality evaluation questionnaires. The DPQA designed the quality evaluation instrument (QEI) based on all institutional policies, procedures, processes and systems. The technology enhanced web-enabled instrument for internal quality reviews address both academic and professional and administrative support services. During 2015, 86 different questionnaires were distributed on the Qualtrics platform and approximately 1 200 modules were reviewed.

Pre-text academic and support department review reports, including the analysis and classification of the results, were prepared in collaboration with Bureau of Market Research (BMR), Directorate of Information Analysis (DIA) and Human Resources (HR). Twenty three academic departmental reports (reflecting the 197 modules under review in 2015) were prepared for the consideration of the review panels in Colleges. In addition, 36 reports were prepared for the review panels in the support departments.

Report writing sessions with multi-disciplinary review panels commenced in November 2015. The review panels for academic departments were chaired by the Chair of Department (CoD) or School Director, and evaluators from support departments were invited to the review panel. In support departments, the Executive Director and/or the QA coordinator chaired the review panels, and representatives from the academic departments were invited to participate. A comprehensive quality report of the reviews conducted for 2012 to 2014 was compiled in collaboration with the BMR and presented to the STLC and Management in June 2015. Thereafter consultations were conducted with portfolio managers to discuss the implementation and monitoring of improvements.

Training sessions for evaluators and verifiers (staff internal and external to the department) are conducted annually. Two evaluator training sessions were conducted during May 2015 (one session on the Muckleneuk campus and one on the Science campus). The workshop report was submitted to the PAAQAC meeting in July 2015. In addition to the above, in 2015, the DPQA assisted with the programme reviews in CEMS to supplement the module reviews.

External reviews

The Council on Higher Education (CHE) approved the College of Human Sciences' improvement plan for the Bachelor of Social Work (BSW). In December 2015, Phase 1 of the Quality Enhancement Project (QEP) was submitted to the CHE. The College of Science and Engineering and Technology (CSET) hosted a successful follow-up visit by the Engineering Council of South Africa (ECSA) in 2015.

Cultivating a sustained quality culture, shared by the academic leadership, professional, academic and administrative support staff, as well as students, is an ongoing journey. In addition to the annual 300 modules for internal review, in 2015 Senate approved the review in 2016 of 40 programmes. The Senate Teaching and Learning and Community Engagement Committee (STLCEC) also approved the review of the following practical modules: 9 modules in CAES, 16 modules in CSET and 15 Teaching Practice modules in CEDU, as well as the review of the Teaching Practice Office (TPO). The College of Accounting Sciences began preparing for the follow-up visit from the South African Institute for Chartered Accountants (SAICA) in July 2016 and of the College of Agriculture and Environmental Science (CAES) commenced preparations for their self-evaluation report for the SAVC visit in 2017. A review of the LLB is scheduled for 2016, and the College of Law is finalising its self-evaluation report for submission to the CHE in May 2016.

Generally, the university functioned at a reasonably high level of productivity during 2015, especially given the unanticipated socio-political disruptions and demands on its management and administration. The necessary outcomes have been generated to ensure a successful year that is aligned to the imperatives of the National Agenda and which has also furthered institutional strategic imperatives and objectives to a satisfactory degree. One of the ongoing concerns remains compliance with due process and controls and, while many of the issues that were raised in the 2014 Management Letter and Audit Opinion have been resolved this year, Unisa remains committed to improving accountability in regard to improved systems and actions. Overall however, the management and administration of the university in 2015 was sound and the management team operated, by and large, at the level and standard expected of persons appointed to lead the largest university in the country and on the continent. Given the number of executive staff who retired or left the University at the end of 2015, Unisa will have to ensure that its governance and administrative systems remain highly functional and efficient as we move into 2016 if continuity and sustainability are to be ensured.

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Prof. MS Makhanya
Principal and Vice-Chancellor

SENATE REPORT

Composition of the Senate

Senate is constituted in terms of paragraph 22 of the Institutional Statute (2012) and consists of the following members:

- Principal and Vice-Chancellor, who is the Chairperson of the Senate
- Pro-Vice-Chancellor, who acts as the Chairperson in the absence of the Principal and Vice-Chancellor
- Vice-Principals
- Registrar, who serves as the Secretary of the Senate
- Deputy Registrar, who acts as the Secretary in the absence of the Registrar
- Executive Deans of the colleges
- Deputy Executive Deans of the colleges
- The following directors:
  - Directors of schools and other Directors in the colleges
  - Director of the Directorate: Curriculum and Learning Development
  - Academic Director: Graduate School of Business Leadership
  - Director: Short Learning Programmes
- Chairpersons of academic departments
- Heads of institutes, bureaus and centres that are formally constituted
- Executive Directors
- Dean of Students
- One full professor from each department of a college and the Graduate School of Business Leadership (or where there is no full professor, an associate professor) elected by the permanent academic employees of the relevant section
- A permanent academic employee, who is not a full professor, from each college and the Graduate School of Business Leadership, elected from among the ranks of the permanent academic employees in the college or Graduate School of Business Leadership
- One permanent employee (other than an academic employee) from each college elected by employees of the college who are not academic employees
- Two members of Council, who are neither employees nor students of the university
- Two students elected by the National Students' Representative Council
- Not more than five additional persons designated by the Senate for the special contribution that they will be able to make to the role that the Senate plays at the university

There were no changes to the composition of membership of Senate in 2015.

Academic structures

The academic structure of the College of Economic and Management Sciences (CEMS) was amended from comprising of three Schools to two. In addition, the number of academic departments was also accordingly amended.

Composition and size of student body

Enrolment planning and management

The process of implementing the Enrolment Plan for 2014-2019, which was approved by Council in 2013, proceeded in 2015. During 2014 a critical focus was to ensure that enrolment targets were set for each qualification in terms of the approved plan. The targets were set in close consultation with the colleges and required a close scrutiny of historical data to ensure that the targets were realistic. During 2015 the enrolment targets were reviewed and amended based on the enrolment patterns of 2014.

A further development was to operationalise the Senate approved Academic Point System (APS) which would be used by the university to select students who would be offered places for studying at Unisa as part of enrolment management. Since the university was simultaneously introducing a new Student System, the business requirements to compute ranking in accordance with the APS were finalised.

Progression rules

Academic progression rules were applied at the beginning of 2014 to students who registered for the first time in 2013. The implementation of progression rules continued in 2015 and students are now aware that they need to progress steadily with their studies to remain eligible for re-registration. The net effect of this process was an increase in the average course load per student during 2015.

Teaching and learning

Performance against targets

The university contracted the Minister of Higher Education and Training to deliver on the following predetermined objectives with regards to teaching and learning in 2015:

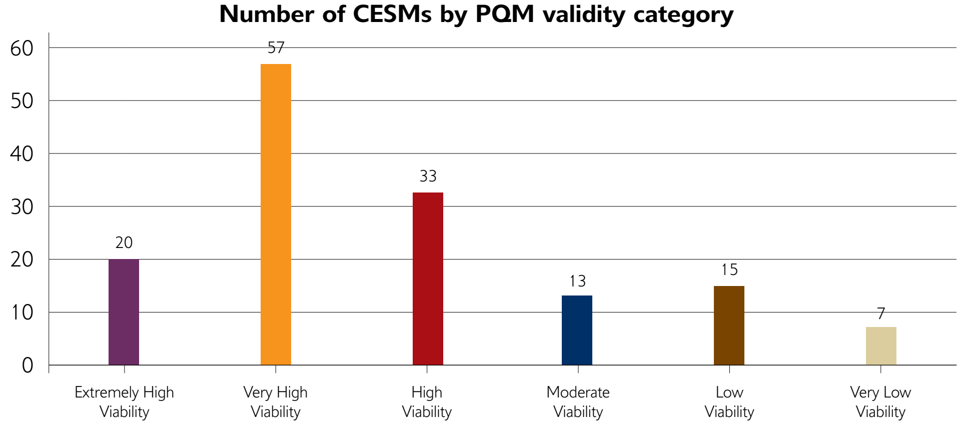
Improved aggregated examination pass rate at undergraduate level

The set target of 67% exam sitting pass rate was exceeded and an average of 69% obtained. Academic support initiatives, including review of assessment practices are gradually bearing fruit. The DHET proxy throughput target of 10% was also slightly exceeded by 0.5 percent. In addition, the institution developed an integrated student success and throughput plan based on reflexive research. This plan will drive all institutional initiatives with regard to improving both success rates and throughput.

Streamlining the Programme Qualification Mix (PQM)

All colleges reviewed their qualifications using a viability instrument during 2015. It was encouraging to note that 110 of the 144 CESM categories have high viability to extremely high viability. The revised PQM was considered and approved by Senate, with clear plans on how non-viable qualifications would be phased out. The diagram below captures the outcome of the PQM viability exercise.

Number of CESMs by PQM validity category



Promote the uptake of ICT and the introduction of innovative technology solutions

The institution finalised the curriculum and learning material for two Massive Open Online Courses (MOOCs). One of the developed MOOCs is aimed at helping underprepared students to develop the requisite academic skills in the College of Accounting Sciences. The other MOOC is aimed at developing the proficiency of teaching staff in assessment practices in an Open Distance eLearning environment. MyUnisa continues to be utilized across colleges

Teaching and learning developments

In 2015 Unisa was involved in a number of development initiatives targeted at improving teaching and learning. The university finalised its vision 2030 that purports to locate the mode of programme delivery in Open Distance eLearning (ODeL). In October Senate approved the definition of ODeL as viewed by all the colleges.

Review and reconfiguration of the assessment systems and practices

2015 saw the continuation of the Vice-Chancellor's project to review and reconfigure the Unisa assessment systems and practices. The work of the alternative assessment project resulted in the development of ICT platforms to conduct take-home examinations, e-portfolios, and timed examinations.

Academic Human Resource Allocation Model (ACHRAM)

The Enrolment and Academic Human Resource Planning Committee mandated a fundamental review of the model which was approved in late 2014. During 2015 all colleges were resourced based on the new ACHRAM model. Furthermore, the university developed a workload allocation model for implementation in all colleges.

Learning programmes and curriculum changes

Senate, at its four sittings during 2015, approved the following:

- Introduction of new programmes/qualifications/modules: There were a number of new proposed qualifications that were recommended to the DHET for accreditation across the colleges.
- Amendment of qualifications and/or curriculum and related matters: Senate considered curriculum changes to qualifications as part of the alignment process to the Higher Education Qualifications Sub-Framework (HEQSF) and accreditation requirements from the Council on Higher Education (CHE) and accrediting professional bodies.
- Policy/guidelines/procedural matters: Senate considered and approved teaching and learning policies (experiential learning policy, final year student concession policy), procedural manuals (experiential learning), and a number of guidelines (teaching standards, learning programme reviews).

Quality Assurance

Quality Assurance is an inherent part of the design and development of learning programmes and modules. During 2015, the Senate Teaching and Learning Committee approved criteria for the review of entire learning programmes. These criteria would be implemented in addition to the annual review of individual modules.

Framework for Professional Development (FPD)

In 2015 Unisa introduced continuous professional development for all teaching staff as part of the performance management system. Continuous professional development initiatives are supported by the FPD with its associated menu of services. Short Learning Programmes were developed as part of the professional development suite of offerings for academics and allied teaching staff.

Teaching and learning seminars

The Teaching and Learning portfolio hosted several monthly seminars focussed on various aspects of teaching and learning. Seminars held in 2015 addressed issues related to the CHE's Quality Enhancement Project, student engagement/support initiatives, student adjustment to university, e-learning and technology applications.

Teaching and Learning Festival

A teaching and learning festival was held during 2015 with the aim of engaging with and interrogating critical aspects of teaching and learning. The festival also acknowledged the role played by services geared towards providing academic support. The festival was linked with the presentation of innovative teaching and learning practises of staff members who received the 2015 Excellence in Teaching and Learning awards.

Multilingualism Conference

In line with its character of being the African university, Unisa recognises the importance of developing and supporting the use of South Africa's indigenous languages. To this effect the institution, in 2015, hosted a highly successful multilingualism conference that attracted notable scholars within this field, who hailed from institutions of higher learning across the country, including cognate professional associations and professional bodies.

Teaching and Learning Achievements

Unisa received an award from CHE/HELTASA for excellence in one of its modules.

Success and throughput

Unisa has an institutional committee focusing on various aspects of student success and throughput. The Student Success Forum (SSF) has the following objectives:

- To oversee the implementation of the student success and support frameworks, and monitors impact
- To ensure the cross-functional, institution-wide integration and coordination of all initiatives to enhance student success at under-graduate and post-graduate levels
- To provide a working forum for in-depth engagement with reports, analyses and tracking system information and alerts, as well as the sharing of information and best practices across the institution
- To monitor the dissemination of student and institutional intelligence to all relevant student support role-players

The Student Success Unit (SSU), which was established in the Directorate of Counselling and Career Development during 2014, became active in 2015 and initiated the development of an instrument for profiling at risk students, among other things.

Research

During 2015, the research activities at Unisa continued to gain traction in line with national directives and international best practice and benchmarks. The year saw the signing of four milestone memorandums of understanding (MoUs) with the following institutions: Savitribai Phule Pune University (India); University of the West Indies (Jamaica) and the University of Haiti. The MoUs saw the creation of formal working relationships including specific initiatives such as research projects, student exchange programmes and researcher exchanges, and formed part of Unisa's internationalisation drive.

Research Output Summary 2014

The table below indicates the audited figures for 2014.

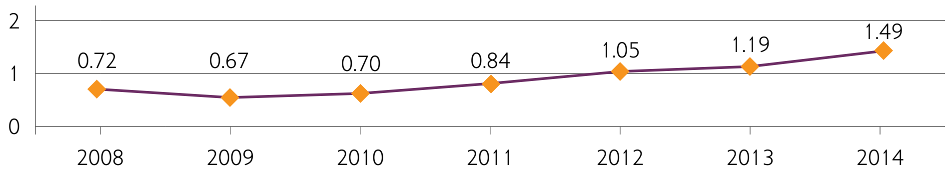
Table 1: Comparative research dashboard indicators

Research output metrics	2010		2011		2012		2013		2014		Increase/ decrease (2013–2014)
	Actual	*Position	Actual	*Position	Actual	*Position	Actual	*Position	Actual	*Position	
Total weighted research output	989,08	9th	1266,95	7th	1669,33	7th	1947,04	7th	2563,84	6th	31.68%
Publication output	734,60	6th	797,62	6th	892,52	6th	1030,04	7th	1172,84	6th	13.86%
Weighted output per capita	0,70	13th	0,84	13th	1,05	13th	1,19	13th	1.49	12th	25.21%

*Position indicates Unisa's ranking when compared with other higher education institutions in South Africa

Unisa's total weighted research outputs indicate a 31.68% increase over the 2013 figures. This increase is also reflected in the following graph, depicting the weighted outputs per capita of 1.49 in 2014.

Figure 1: Weighted output per capita, 2008–14



The table below highlights publications by research institutes in the College of Graduate Studies and the contribution made by these institutes in 2015.

Table 2: Publications produced by research institutes

School/Institute	No. units: articles in accredited journals	No. books/book chapters published	Conference proceedings
College of Graduate Studies			
Graduate Studies	22.37	0.43	2.16
Institute for African Renaissance Studies (IARS)	8.5	5.0	0
Archie Mafeje Research Institute (AMRI)	6.5	0.53	0
Institute for Science and Technology Education (ISTE)	4.08	0	4.83
Institute for Social and Health Sciences (ISHS)	7.76	0	1.0
Institute of Open and Distance Learning (IODL)	0	0	0
Total	**49.2**	**5.96**	**7.99**

Numbers of ODL research and community engagement (CE) research articles were unavailable at time of report.

Research support programmes, grants and incentives

In 2015 Unisa continued with the roll-out of its successful research support programmes. These programmes are aimed at inculcating a culture of research at Unisa and improving the research status of staff members, especially from designated groups. The table below highlights the programmes offered and the amount spent on each programme in 2015.

Table 3: Research support programmes and value investment

Programme	Aim	R value investment
Academic Qualification Improvement Programme (AQIP)	Approved by the DHET, the AQIP programme is geared towards providing financial support for Unisa's permanent academic staff to pursue senior qualifications (master's and doctoral degrees) on a full time basis. In 2015, 45 staff members received funding – 14 male and 31 female; black: 30, white: 14, and Indian: 1.	R109 509 168
Master's and Doctoral Support Programme (MDSP)	This staff development initiative is aimed at increasing the number of Unisa staff holding doctoral qualifications. Total number funded in 2015: 67 – 29 male and 38 female; black: 38, white: 26, coloured: 1, Indian: 2.	R3 291 254
Postdoctoral Fellowship Research Support Programme (PDF)	This programme is aimed at inculcating the culture of research and innovation at the university by bringing to Unisa doctoral graduates from universities around the world. The intention is to energise research excitement among young developing researches, thereby ensuring an emerging cohort of young researchers to replace the aging cohort (which is a critical concern for Unisa), who will contribute to the growth of the total research output of Unisa. In 2015, 122 staff members were assisted by this programme – 97 male and 25 female.	R36 600 000

VisionKeepers Research Support Programme (VK)	Initiated in 2011, this programme is intended to fast-track young academics with PhD qualifications towards greater and improved research efficiency and the achievement of NRF ratings. A total of 7 researchers benefited from this programme – male: 3 and female 4; black: 6 white: 1.	R3 666 782
Women in Research Support Programme (WiR)	Developed in 2013, this programme – which recognises that the research and innovation space in South Africa and at Unisa in particular – is currently occupied by mainly male researchers. The programme provides research funds to a group of women researchers with a view of fostering mentoring within the group, fast-tacking the production of research output and concomitantly propelling women'sresearch towards a NRF rating. The programme directly supports Unisa's transformation objective. Female: 2; black: 1 and white: 1, were assisted by this fund.	R834 518
Unisa Research Chairs Programme **Appointed from 2013–2015; now extended to 2018**	In an effort to develop research excellence, Unisa started the Unisa Research Chairs in 2013. There are 5 chairs – 5 male managed; black: 3, white: 1, Indian: 1.	R4 372 442
Emerging Researcher Support Programme (ERSP)	Also approved by DHET, the ERSP programme funding is provided to help permanent research staff members who have completed their doctoral degrees within the past five years to develop as researchers. In 2015, 5 researchers benefited from this programme – male:2 and female: 3; black: 4 and white: 1.	R13 199 380
Visiting Researchers	In 2015 there were 31 visiting researchers – male: 29 male and female: 2; black: 2, white: 20 and Indian: 1	R15 331 284
Research Professor	In 2015 there were 19 researcher professors – male: 10 and female: 9; black: 2, white: 17.	R1 900 000
Open Distance Learning Research Support Programme (ODL-RSP)	In 2015, 2 awards – female: 2, white: 2 were made.	R828 075
Total	305 grants	R189 532 904

External research grants and incentives

In 2015 Unisa had a total of 324 external grants amounting to R48 061 644.

The sum of R62 165 667.00 was paid out as research incentives as follows:

- Master's and doctoral supervision: R12 204 167
- Publications: R36 223 532
  - Accredited articles: R33 467 250
  - Conference papers: R1 626 032
  - Books: R955 250
  - 1st journal publication: R175 000
- NRF-rating incentives: R4 170 000
- Editors: R1 770 000

Highlights

College of Graduate Studies

The College of Graduate Studies promotes inter- and transdisciplinary research and provides institutional, supervisory and training support for postgraduate qualifications, which has contributed to steady growth in postgraduate throughput over the past years. The number of master's and doctoral graduates increased to 916 and 237 respectively in 2015.

Research and Innovation Week

One of the highlights of the year was the fourth annual Research and Innovation Week, which continued to provide a platform for meaningful cross-discipline engagement on topical issues. The theme of the week, Serious about Research, attracted both internal staff and researchers from other higher education institutions, scientific bodies and funding agencies. Over 4 600 delegates attended the week-long event, enjoying presentations by local and international speakers.

Annual Student Research and Innovation Showcase

Unisa also hosted the fourth Annual Student Research and Innovation Showcase in collaboration with the National Student Representative Council (NSRC). The main purpose was to promote research and innovation among Unisa students, and to create greater awareness of the importance of research and innovation as tools for socioeconomic development and progress.

Besides informative presentations, the symposium also provided a platform for students to share their research with fellow students. A total of 97 research papers (a 51% increase over the 2014 submissions) were received from students in response to the call for research papers. The papers were reviewed by discipline-specific technical committees comprising Unisa researchers and 40 research papers from all disciplines were accepted for presentations during the showcase (27 for oral presentations and 13 for poster presentations). The presentations were also judged by members of the discipline-specific technical committees. The top three oral and poster presentations in each discipline were announced at an awards ceremony.

The finalists of the Unisa Talent Innovation Programme (TIP) also presented their innovative ideas at the symposium. The TIP provides a platform for Unisa students to express their innovative ideas and provide solutions to various societal challenges. The first phase of judging TIP took place beforehand by an internal selection committee; second phase judging by an external panel of experts took place during the symposium. The winners were also announced during the awards ceremony.

IP Disclosures

The number of intellectual property (IP) disclosures continued to increase. The Directorate of Innovation and Technology Transfer (DITT) received 17 IP disclosures in 2015, which translates into a 6.5 % increase over the 2014 figures. In 2015 the DITT filed a total of 15 patent applications comprising six new provisional applications, one PCT (international) application and nine regional/ national applications. This translates into a 400% increase over the applications handled in 2014.

Figure 2: Cumulative number of disclosures from 2012–2015

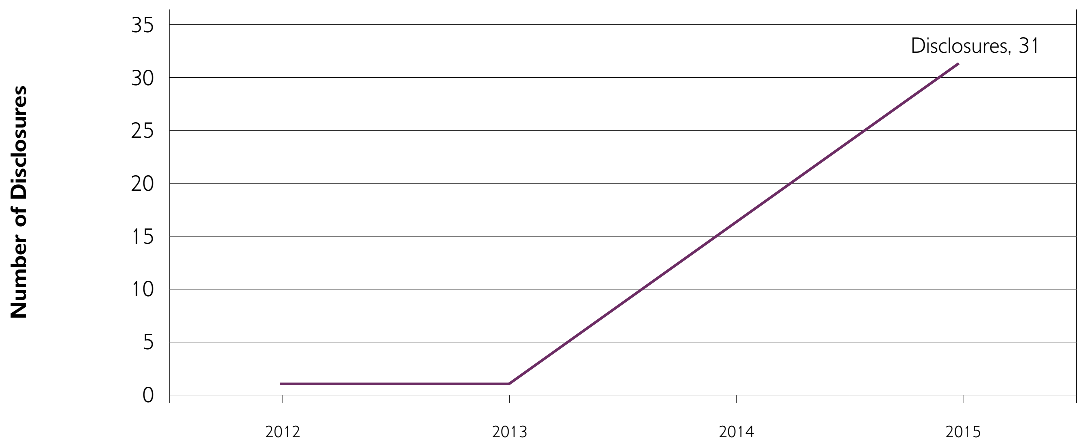
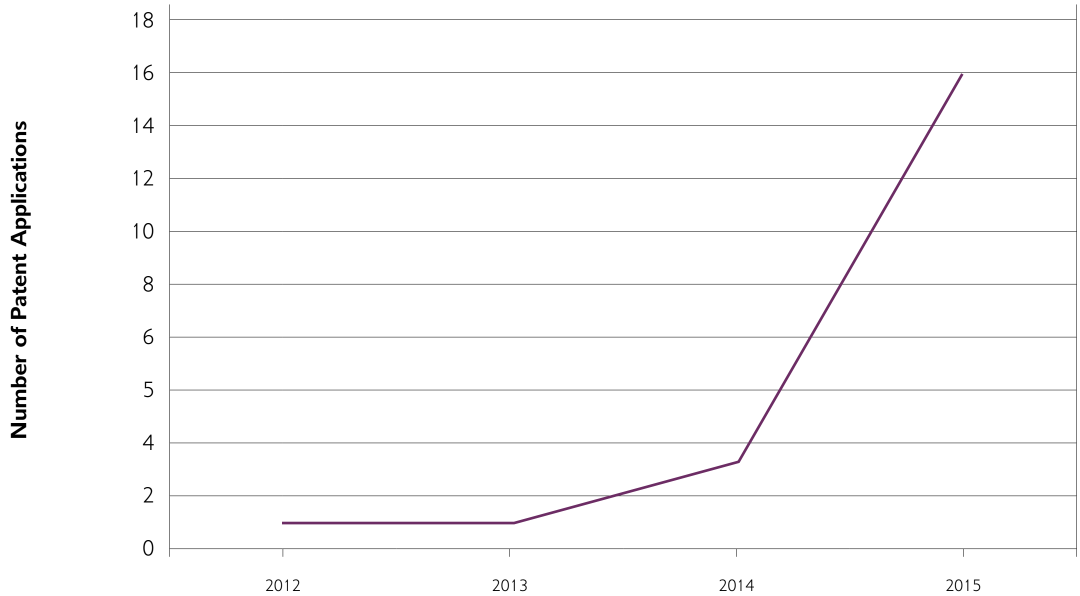


Figure 3: Cumulative patent applications from 2012–2015



Judging by the trend, this growth is likely to continue. In line with the growth and development of the portfolio, the DITT's focus will shift more towards the transfer of technologies for the benefit of society. Towards this end, the DITT has drafted a DITT roadmap detailing what will be required to effect this important transition to a transfer-centric approach to its activities. The roadmap was approved by the IP and Commercialisation Committee and implementation of some of the initiatives has commenced, including the appointment of staff to focus on commercialisation of Unisa technologies. The commercialisation framework has been drafted and has been in the consultation stage since late 2014.

Visiting Researchers

In 2015 Unisa hosted 31 visiting researchers with the aim of improving publications in high impact-factor journals, facilitating knowledge transfer to strengthen the competencies of Unisa staff, developing and maintaining a network of external researchers, and generally stimulating research discourse and debate.

NRF-rated Research Awards

A total of 57 NRF-rated awards, including new, re-rated and researchers who joined with a rating, were made in 2015. This figure was made up of 10 Y-rated researchers, 6 B-rated researchers, and 41 C-rated researchers. At the end of 2015 Unisa had 182 rated researchers, which accounts for an increase of 13.8% over the previous year's figures.

Internal Research Awards

In addition, the internal Women-in-Research awards were handed out to four women in different categories, including the youngest woman staff member to obtain a doctoral degree, which was awarded to Dr A Pretorius, leadership-in-research awards to Prof B Smit (CEDU) and Prof T Manyika (CEDU), and a developing researcher award to Dr D Mahlo (CEDU).

During 2015 the Chancellor's prize for research was awarded to the following 16 staff members: Prof F Mudau (CAES); Prof N Romm (CEDU); Prof M Coetzee (CEMS); Prof O Akanbi (CEMS); Prof G Nhamo (CEMS); Prof E Udjo (CEMS); Prof M Maaza (CGS); Prof K Ratele (CGS); Prof L Zungu (CHS); Prof C du Toit (CHS); Prof R Barker (CHS); Prof A Snyman (CLAW); Prof A Nicolaides (GSBL); Prof Z Wang (CSET); Prof I Osunmakinde (CSET); and Prof S. Ray (CSET).

The following researchers were inducted into different science bodies during the year:

- Prof B Mamba (CSET): Academy of Science of South Africa
- Prof S Bhardwaj Mishra (CSET): Fellow of the Royal Society of Chemistry, UK

Prestigious national awards were awarded to the following four researchers:

- Prof S Ndlovu-Gatsheni (CGS): Ali Mazrui Award or Excellence in Scholarship

- Prof C Odora Hoppers (CGS): Nelson Mandela Distinguished Africanist Award
- Prof L Zungu (CHS): Distinguished Women Award, Women in Science Awards
- Prof B Smit (CEDU): Education Association of South Africa, Research Medal

The prestigious Hiddingh-Currie Prize was awarded to the book entitled Education, Economy and Society co-authored by Prof S Vally and Prof E Motala. The Hiddingh-Currie Award is a literary award given out annually to an outstanding author of a published work within the Unisa Press. It is aimed at encouraging and nourishing specialised skills in academic research and scholarly publishing.

Community Engagement

The Community Engagement directorate had 237 community engagement project registered on its database in 2015. Of the total, 228 were funded projects and 9 were non-funded.

Breakdown per College/Region

The majority of CE projects, 204 projects, were housed and executed through the eight colleges, 24 projects were implemented by the various regions, 6 projects by the GSBL and one each by the Music Foundation, Chance to Advance and Enactus. The below breakdown provides the project allocations per college/region as well as a breakdown of the funded and non-funded projects:

College/Region/Other	Number of projects	Funded	Non-funded
CAS	11	10	1
CAES	12	11	1
CEMS	31	30	1
CEDU	39	39	
CGS	22	22	
CHS	48	47	1
CLAW	30	27	3
CSET	11	11	
GSBL	6	4	2
Regions	24	24	
Music Foundation	1	1	
Chance to Advance	1	1	
Enactus	1	1	
Total	**237**	**228**	**9**

It must be noted that the major guiding principle for community engagement initiatives remains integration with teaching and learning and/or research.

REPORT OF **THE INSTITUTIONAL FORUM**

The Institutional Forum was confident that the introduction of ministerial directives would have a positive impact.

The Institutional Forum (IF) plays an advisory role to Council and is representative of the various institutional constituencies. The composition of the IF is as follows:

- two members of senior management
- the Dean of Students
- the Executive Director: Tuition and Facilitation of Learning
- one Council member, who is neither an employee nor a student of the university, elected by Council
- two members of the Senate, elected by the Senate
- two permanent academic employees, elected by such employees
- two permanent employees other than academic employees, elected by such employees
- two students from the Students' Representative Council (SRC), elected by the SRC
- two members nominated by each of the two sufficiently representative employees' organisations
- two external members recommended by the Management Committee and approved by Council
- one or more members co-opted by the IF to assist in any project or projects

Implications of the Higher Education Amendment Act

The IF welcomed the Higher Education Amendment Act of 2015 which was promulgated into law by Parliament. The Act has serious implications for higher education (HE) institutions with regard to their relationship with Council and other governing structures, such as the IF, and the role these structures play. It requires reflection on how HE institutions function, how seriously they engage with and understand issues relating to governance and accountability and, most importantly, their administrative actions both procedurally and substantively.

The Higher Education Amendment Act was passed with various aims in mind, including the determination of transformation goals for the public HE system and the appropriate mechanisms for the issuing of directives for HE. This was critical to Unisa, which has been battling with issues of transformation and the role of governing structures such as the IF. In this regard, the Act states that "Council must consider advice of the Institutional Forum and provide reasons if advice is not accepted".

The IF was hopeful that these amendments would lead to better cooperation between Council and the Forum, as in the past the IF had raised its concern about the lack of cooperation and about the manner in which Council paid lip service to its advice. The Forum was also confident that the introduction of ministerial directives (covering issues ranging from unfair discriminatory practices to non-compliance with the law and other policies by institutions) would have a positive impact.

Decisions and recommendations

During the period under review the IF held a total of three meetings at which the decisions and/or recommendations below were taken.

The IF convened on 23 April 2015 to nominate four members to serve on the selection committees for the positions of VP: Teaching, Learning, Community Engagement and Student Support; VP: ICT and Technology Support, and the University Registrar. The IF resolved that the chairperson would consult with management regarding the new positions and any other positions that may arise. In future, the Forum should be informed and/

or consulted on any important matters or changes taking place in the institution, especially those that fall within the mandate of the IF.

At the IF meeting held on 4 May 2015 the Principal and Vice-Chancellor (VC), Professor Mandla Makhanya made a presentation on the new Unisa structure. He indicated the Unisa Council requested that the structure be revised, focusing on the 2016-2030 strategic plan and the annual performance plan, which is based on the three key strategic areas of teaching and learning, community engagement and research.

The IF resolved that since the new structure did not comply with the University Statute and the Higher Education Act, it should distance itself from the process of filling the new executive management positions until the University Statute was amended and that the IF chairperson would inform the VC accordingly. In his response the VC accepted that the University Statute needed revision and confirmed that no position contrary to a statutory provision would be implemented before the revised Statute was approved by Parliament.

During the IF meeting held on 8 September the relationship between Council and the IF was debated extensively. The Forum was concerned about the manner in which its advice to Council was not being engaged with by Council and its members.

The following resolutions were taken:

- A meeting between the IF and the Executive Committee of Council would be held to address the IF's concerns relating to advice given by the committee to the Council.
- The university, in implementing what it aspired to do or achieve in the appointment of the Registrar: Governance, should comply with the rules of the University Statute and the Higher Education Act.
- The Department of Human Resource would be requested to provide a status report on the filling of the positions of the Chief Financial Officer, the Chief Information Officer and the VP: Institutional Development and Transformation.

....

Prof. R Songca
Chairperson: Institutional Forum

ANNUAL **FINANCIAL REVIEW 2015**

The purpose of this report is to present an overview of the financial results of the University for 2014 and to provide information about the following:

- Budgeting and budgetary control processes
- Overview of financial achievements
- Productivity and financial position of Unisa
- Analysis of ratios
- Internal control deficiencies identified

Budgeting and budgetary control processes

The university allocates its financial resources to ensure the achievement of its strategic objectives. The allocation of resources is determined by the Strategic Resource Allocation Model (SRAM), which has been in use since 2006. This model ensures that there is proportionate allocation of resources aligned to the priorities of the university.

The Budget Committee comprises of representatives from all portfolios and scrutinises all budget requests to ensure that they are aligned to the university strategy. In 2015, the allocation was R2.265 billion to colleges, R269.702 million to primary academic support, R1.6186 billion to primary student support and R1.240 billion to institutional support and Management. The model is constantly reviewed and refined to address current as well as future needs.

Budget control and availability of funds is enforced electronically for all expenditure at requisition level through the procurement system to avoid expenses being incurred where there is no adequate budget. Portfolio based budget versus actual reports are presented to Management and the Finance, Investment and Estates Committee on a regular basis.

Overview of financial achievements

There were major challenges facing the university in 2015, this is evidenced by the fact that total expenditure during 2015 increased by 11,3%. For the financial year under review, Unisa recorded an operating loss of R343 million (2014: R105 million surplus, after prior year adjustments) a decrease of 460%.

One of the main reasons for the decrease in the operating surplus is the fair value adjustment of investments because of the slow market growth and the liquidation of long term investments to meet cash flow needs. Investments are exposed to the volatility of the global equity markets and the fair value adjustment changed by 117% from R337 million in 2014 to a negative return of R59 million during the year under review. Investment related income decreased by 117% when compared to 2014 and income from interest and dividends decreased by 6%. Should the investment related income be ignored, total income increased by 11%, which is less than the increase in expenditure. Total investments have decreased by 12%, while other non-current assets net of depreciation and amortisation and fair value adjustments, increased by 13% over the previous year.

Tuition fee increases were contained at 7,3% on average for the year, revenue from student fees increased by 7,5% compared to 2014. This nominal increase is primarily due to a the fee increase mentioned elsewhere as well as a slight increase in student numbers during the year under review. However, it should be noted that included in expenses is an amount of R187m (2014: R140m) that was for bursaries to Unisa students. Expenses also include an amount of R105m (2014: R36m) written off as irrecoverable and doubtful. Net income from tuition fees for the year was therefore R2.994 billion. This trend in tuition fees is expected to remain constant in the coming years as the university enforces its admission and enrolment management policies, however this should be compensated by increase in output subsidy once the policy settles down.

The gross subsidy has increased by 13% to R2.529 billion in 2015 from R2.234 billion in 2014. However, R238 million (2014: R306 million) of the teaching and development grant was deferred. At the time of reporting, it is unclear what the effect of the revised subsidy formula of the Department of Higher Education and Training (DHET) would be in future years.

Total expenditure for the year, including operational and personnel costs, amounted to R6,458 billion in 2015 (2014: R5,870 billion)–an increase of 11% compared to the previous year. This increase in spending leaves some cause for concern; the year-on-year increase in spending for 2015 over 2014 was 11% against an average inflation rate of 6.2% but tight budgetary controls have been put in place to curb the increasing expenditure.

Table 1: Analysis of income and expenditure

	% increase	2015 R'000	% increase	2014 R'000	2013 R'000
Total income	2%	6 099 719	(5%)	5 926 270	6 245 832
Total income excluding Investment income	11%	5 866 481	(4%)	5 277 142	5 508 657
Total expenditure	10.6%	6 458 296	12%	5 837 100	5 225 923
Total staffing cost	15%	4 210 539	15%	3 661 693	3 193 454

Personnel expenditure (including expenditure from earmarked funding) rose by 15%. Personnel costs accounted for 65% (2014: 62%) of total expenditure. At 68% (2014: 61%) of Council controlled recurring income (CCRI), staff costs are outside of the DHET guidelines of 59%–62% of CCRI and also adopted by the Unisa Council. It should however be noted that there is a constant vacancy rate of around 12% across the university. Should all the vacancies be filled, the ratio will indeed stand at 68%.

The increase in staffing costs can be ascribed to salary increases above inflation; review of academic salaries and increase in number of permanent and fixed term employees in the academic division:

Table 2: Increase in number of employees

	2015	Increase	2014	Increase	2013
Number of permanent employees	4 848	1.2%	4 793	1.6%	4 716
Number of fixed-term employees	920	7.0%	860	4.0%	827

Productivity and financial position of Unisa

Tables 3 to 5 provide a trend analysis of the last five years with respect to Unisa's financial position.

Table 3: Consolidated statement of financial position

	2015	2014	2013	2012	2011
	R'000	R'000	R'000	R'000	R'000
Total assets	9 968 398	10 413 261	10 129 904	8 878 676	7 425 951
Total liabilities	2 379 953	2 481 596	2 355 544	2 245 311	1 675 929
Total net assets	7 588 445	7 931 665	7 774 360	6 633 365	5 750 022
Investments:					
• Total investments	5 733 050	6 533 275	6 563 397	5 653 720	4 925 202
• Fair value adjustment	(58 978)	337 230	776 733	717 829	174 108
• Return on investments	292 216	311 898	311 087	311 990	265 250
Facilities:					
• PPE net of accumulated depreciation	2 882 816	2 732 541	2 381 762	2 051 965	1 590 929

Future planned infrastructure spending includes the following:

- Construction of the generator and chiller plant (approved budget R350 million)
- Upgrade of the Unisa Library in the Samuel Pauw building and the Science Library at Florida campus (approved budget R543 million)
- New building for the College of Economic and Management Sciences on Muckleneuk Campus (approved budget R1 150 million)

Table 4: Consolidated statement of comprehensive income

	2015	2014	2013	2012	2011
	R'000	R'000	R'000	R'000	R'000
Total revenue	6 099 719	5 926 270	6 285 390	5 568 215	4 652 785
State subsidies & grants	2 529 334	2 234 016	2 036 518	1 831 612	1 801 537
Tuition fee & other revenue	2 994 139	2 784 394	2 888 449	2 438 394	2 181 896
Total expenditure	6 458 296	5 837 100	5 225 923	4 498 679	4 012 848
Personnel costs	4 210 539	3 661 693	3 318 830	2 880 825	2 620 390
Other Operating expenses	1 964 530	1 939 735	1 695 707	1 442 509	1 224 213

During the year under review there were no transfers made to reserves. The balances of reserve accounts at the end of 2015 were as follows:

Business continuity reserve	R1 030 million
New buildings reserve	R745 million
Renewal & replacement of buildings reserve	R401 million
Maintenance reserve	R64 million
ICT renewal reserve	R47 million

Council has decided that the business continuity reserve should be topped up to R5 billion and that an amount to that value be held in investments.

These reserves are matched with investments.

Analysis of ratios

Table 5: Important financial ratios

	2015	2014	2013	2012	2011
Current ratio	5.22:1	5.02:1	5.44:1	5.10:1	6.43:1
Quick ratio	5.13:1	4.95:1	5.36:1	5.01:1	6.31:1
Cash ratio	4.70:1	4.48:1	4.90:1	4.61:1	6.04:1
Surplus margin as a percentage of total revenue	(5.63%)	1.78%	18.15%	19.21%	13.78%
Subsidies and grants as a percentage of total revenue	41.47%	37.70%	32.12%	32.70%	38.47%
Tuition fee and other revenue as a percentage of total revenue	49.09%	46.98%	45.95%	43.79%	46.89%
Personnel costs as a percentage of total expenditure	65.20%	62.73%	62%	63.53%	62.94%
Operating expenses as a percentage of total expenditure	30.42%	33.23%	32.1%	32.07%	30.51%

Conclusion

Despite loss incurred for the 2015 financial year, Unisa's the balance sheet is still positive and therefore regarded as a going concern.

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Mr BP Vundla
Chairperson of Finance, Investment and Estates Committee

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Mr PZR Zwane
Chief Financial Officer/Vice-Principal: Finance & Business Enterprises

AUDITED CONSOLIDATED ANNUAL **FINANCIAL STATEMENTS**

CONTENTS

STATEMENT OF RESPONSIBILITY BY THE COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2015

The Council is responsible for the preparation, integrity and fair presentation of the consolidated financial statements of the University of South Africa.

The consolidated financial statements presented on pages 81 to 134 for the financial year ended 31 December 2015, have been prepared in accordance with International Financial Reporting Standards, regulations for Annual Reporting by Higher Education Institutions and in the manner required by the Minister of Education in terms of section 41 of the Higher Education Act, 1997 (Act No. 101 of 1997), as amended, and include amounts based on judgements and estimates made by the management. The Council has also prepared other information as required to be included in this Annual Report and is responsible for both its accuracy and consistency with the consolidated financial statements.

The Council's responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Council's responsibility also includes maintaining adequate accounting records and an effective system of risk management.

The going concern basis has been adopted in the preparation of the consolidated financial statements. Council has no reason to believe that the University of South Africa will not be a going concern in the foreseeable future based on forecasts and available cash resources. The viability of the institution is supported by the content of the consolidated financial statements.

The consolidated financial statements have been audited by the auditors Deloitte and Touche who have been given unrestricted access to all financial records and related data, including minutes of meetings of the Council and all its committees. Council believes that all representations made to the independent auditors during their audit were valid and appropriate.

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements on pages 81 to134 were approved by the Council on 23 June 2016 and signed on its behalf by:

Mr Sakhi Simelane
Chairperson of Council

Prof. MS Makhanya
Principal and Vice-Chancellor

Mr BP Vundla
Chairperson of Finance, Investment and Estates Committee

Mr PZR Zwane
Chief Financial Office/Vice-Principal: Finance & Business Enterprises

INDEPENDENT AUDITOR'S REPORT TO THE MINISTER OF HIGHER EDUCATION AND TRAINING AND THE COUNCIL OF THE UNIVERSITY OF SOUTH AFRICA (UNISA)

Report on the consolidated financial statements

Introduction

We have audited the consolidated financial statements of the University of South Africa and its subsidiaries which are set out on pages 81 to 134 which comprise the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Council's responsibility for the consolidated financial statements

The Council is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and the requirements of the Higher Education Act of South Africa (no. 101 of 1997) and for such internal controls as the Council determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the University's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Qualified opinion

Basis for qualified opinion – *Inventory valuation in the prior year:*

Comparatives presented in these consolidated financial statements are those figures reported in the previous year's financial statements. In the prior year, we issued a qualified opinion on those financial statements as the University of South Africa was unable to provide sufficient and appropriate audit evidence to confirm the valuation of the inventory of study and courseware materials as at 31 December 2014 amounting to R86,2 million and which was included in total inventory balance of R103 million. We were unable to obtain sufficient appropriate evidence regarding these matters by alternative means. The University of South Africa did not correct or restate its prior year balances relating to the inventory of study and courseware materials.

Since opening inventory affects the determination of the financial performance and cash flows for the current year, we were unable to determine whether adjustments might be necessary to the net surplus for the year ended 31 December 2015 reported in the consolidated statement of profit or loss and other comprehensive income and to the net cash flows from operating activities reported in the consolidated statement of cash flows. Furthermore, our opinion on the current year's financial statements is qualified because of the possible effect of this matter on the comparability of the current year's figures with that of the prior year.

Qualified opinion

In our opinion, except for the possible effects of the matters described in the basis for qualified opinion section of our report on the adjustments that might be necessary to the net surplus and cash flows for the year ended 31 December 2015 and the comparability of the current year's figures with that of the prior year, the consolidated financial statements present fairly, in all material respects, the consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flow of the University of South Africa and its subsidiaries as at 31 December 2015 in accordance with International Financial Reporting Standards and the requirements of the Higher Education Act of South Africa (no. 101 of 1997).

Emphasis of matter

Restatement and reclassification of prior year amounts:

As disclosed in note 27 to the financial statements, certain prior year balances for the year ended 31 December 2014 have been restated. We draw attention to the following restatements:

- Property, plant and equipment which was restated due to the complete asset verification process which was performed in the current year to the value of R170 million (2013: R76,5 million).
- Depreciation on intangible assets classified incorrectly as library books to the value of R12,8 million (2013: R4 million).
- National Student Financial Aid Scheme debtor incorrectly written off to the value of R46,1 million.
- Investments incorrectly capitalized to the value of R37,9 million (2013: R26,2 million).
- Income from donations incorrectly classified as deferred income to the value of R17,4 million (2013: R14,1 million).
- Accruals incorrectly raised to the value of R9,6 million (R5,3 million).

For additional restatements relating to other balances, refer note 27 to the annual financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIRMENTS

In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) and the general notice issued in terms thereof, we have a responsibility to report findings on the reported performance information against annual performance plan for the selected objectives presented in the annual report, non-compliance with legislation and internal control. We performed tests to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, we do not express an opinion or conclusion on these matters.

Predetermined objectives

We performed procedures to obtain evidence about the reliability of the reported performance information in the section headed *Performance Assessment Report* as set out on page 15 to 19 of the annual report on the following selected objectives:

Objective 1: Improved Aggregated Examination Pass Rate at Undergraduate Level

Objective 2: Increase the number of masters and doctoral graduates

Objective 4: Finalize the business model

Objective 8: Implement the ministerial approved enrollment plan

Objective 9: Improve service delivery to students

Reliability of Performance information

The reported performance against predetermined objectives was evaluated against the overall criterion of reliability. The reliability of the information in respect of the selected objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

We did not identify material findings on the reliability of the reported performance information for the above selected objectives.

Additional Matter

Although we identified no material findings on the usefulness and reliability of the reported performance information for the selected objectives and development priorities, we draw attention to the following matter:

- Compulsory targets required by paragraph 9 of Regulations for Reporting by Public Higher Educations Institutions, Government Gazette, 9 June 2014 were not met/included.

Refer to the annual performance report on page 15 to 19 for information on the achievement of the planned targets for the year.

Compliance with legislation

We performed procedures to obtain evidence that university had complied with legislation regarding financial matters, financial management and other related matters.

Section 45 of the Auditing Profession Act, 2005 (Act 26 of 2005) – reportable irregularity

In accordance with our responsibilities in terms of sections 44(2) and 44(3) of the Auditing Profession Act, we report that we have identified reportable irregularities in terms of the Auditing Profession Act. We have reported such matters to the Independent Regulatory Board for Auditors. The matters pertaining to the reportable irregularities have been described in note 28 to the consolidated financial statements.

Internal controls

Our report also noted areas where the internal control of the organization had not functioned as designed throughout the financial period affecting the areas of financial management, inventory management, fixed asset management, information technology management and reporting on performance information.

Financial and performance management

- Inadequate information technology systems relating to information security.
- Certain information technology system related limitations that do not prevent or detect misstatements.
- Inadequate controls over property plant, equipment relating to complete and accurate fixed asset register and physical verification of assets.
- Inadequate controls during the year over the management and recording of print production costs and the quantity and value of print production inventories.
- Non-compliance with certain UNISA internal procurement policies and procedures.
- Management of journal entry processes and performance and effective review of reconciliations of accounts, including suspense accounts.
- Lack of effective human resource management and performance management to ensure that adequate and sufficiently skilled resources are in place to address the internal control deficiencies identified during the audit.

Other Reports

Investigations

We are aware of certain investigations currently being performed by the internal audit department as at the date of this report.

Agreed upon procedures engagement

The following agreed upon procedures engagement have been performed or are currently being performed at the request of UNISA by our joint auditors NexiaSAB&T Incorporated. These are mandatory in terms of the Department of Higher Education and Training, except for the SBL College:

- Awards granted by the National Research Foundation;
- Teaching Collaborative Grant;
- Research and Development Grant;
- Foundations Provision Programme;
- Infrastructure Funding Allocation (Cycle 1);
- Infrastructure and Efficiency Funding Allocation (Capital) (Cycle 3);
- Infrastructure and Efficiency Funding Allocation (Maintenance) (Cycle 4);
- Funds allocated to new generation of academics programme;
- Teaching Development Grant;
- Infrastructure Spending for Veterinary Sciences;
- Infrastructure Spending for Information Communications Technology;
- Accredited Research Output;
- School of Business Leadership (SBL); and
- Higher Education Management Information Systems reports - student's submission and human resources submission.

Deloitte & Touche

Deloitte & Touche

Registered auditor

Per L Ravhuhali

Partner

30 June 2016

Financial Statements and Notes

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	Notes	2015	2014	As at 01 January 2014
			Restated*	Restated*
		R'000	R'000	R'000
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	1	2 882 816	2 732 541	2 424 874
Intangible assets	2	77 816	87 979	85 299
Investment property	3	25 858	20 796	24 888
Other investments	6	231 628	272 000	
		3 218 118	3 113 316	2 535 061
CURRENT ASSETS				
Inventories	4	120 325	103 186	115 762
Trade and other receivables	5	374 975	520 327	562 694
Other investments	6	5 501 422	6 261 275	6 537 142
Pension fund asset	11.2	181 541	155 971	86 503
Cash and cash equivalents	7	572 017	258 602	324 683
		6 750 280	7 299 361	7 626 784
Non-current assets held for sale	8		584	584
		6 750 280	7 299 945	7 627 368
TOTAL ASSETS		**9 968 398**	**10 413 261**	**10 162 429**
EQUITY AND LIABILITIES				
RESTRICTED PPE DISTRIBUTABLE RESERVES				
Held for investment in property, plant and equipment	9	1 308 924	1 241 672	1 171 628
		1 308 924	1 241 672	1 171 628
DISTRIBUTABLE RESERVES				
Unrestricted	9	6 248 405	6 658 938	6 632 595
Restricted	9	31 116	31 055	22 104
		6 279 521	6 689 993	6 654 699
TOTAL EQUITY		7 588 445	7 931 665	7 826 327
NON-CURRENT LIABILITIES				
Interest-bearing borrowings	10			7 281
Post-employment medical obligations	11.1	717 246	679 653	634 785
Employee benefit liability in respect of pension fund guarantee	11.3	47 310	66 463	61 165
Accumulated leave liability	12	253 794	209 340	177 050
Funds administered on behalf of Department of Higher Education and Training		68 606	70 869	68 998
		1 086 956	1 026 325	949 279
CURRENT LIABILITIES				
Trade and other payables	13	808 029	812 955	611 279
Post-employment medical obligations	11.1	45 449	42 551	39 311
Accumulated leave liability	12	13 412	22 797	14 004
Deferred income	14	275 665	355 343	540 320
Student deposits		150 442	214 344	170 951
Current portion of interest-bearing borrowings	10		7 281	10 958
		1 292 997	1 455 271	1 386 823
TOTAL EQUITY AND LIABILITIES		**9 968 398**	**10 413 261**	**10 162 429**

**Certain amounts are restated and those adjustments are reflected in Note 27*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2015

	Notes	Education and General: Council controlled unrestricted A R'000	Education and General: Specifically funded activities restricted B R'000	Sub Total R'000	Student and staff accommo-dation restricted C R'000	2015 R'000	2014 Restated* R'000
RECURRENT ITEMS		(365 570)	7 361	(358 209)		(358 209)	78 298
INCOME		5 824 708	29 660	5 854 368		5 854 368	5 704 371
State subsidies and grants		2 283 615		2 283 615		2 283 615	2 022 989
Tuition and other fee income		2 966 534	27 605	2 994 139		2 994 139	2 784 394
Income from contracts		40 344		40 344		40 344	30 744
For research		40 227		40 227		40 227	30 744
For other activities		117		117		117	
Sales of goods and services		243 535	1 839	245 374		245 374	169 322
Private gifts and grants		57 442	216	57 658		57 658	47 794
Interest and dividends	15	292 216		292 216		292 216	311 898
Fair value adjustment – investments	15	(58 978)		(58 978)		(58 978)	337 230
EXPENDITURE		6 190 278	22 299	6 212 577		6 212 577	5 626 073
Personnel costs	16	4 031 120		4 031 120		4 031 120	3 497 472
Academic & professional		1 657 075		1 657 075		1 657 075	1 520 517
Other personnel	27	2 374 045		2 374 045		2 374 045	1 976 955
Other current operating expenses	17	1 878 060	20 170	1 898 230		1 898 230	1 892 929
Depreciation and amortisation		275 575		275 575		275 575	233 387
Finance costs	18	5 523	2 129	7 652		7 652	11 209
NON-RECURRENT ITEMS		(368)		(368)		(368)	10 872
INCOME		(368)	245 719	245 351		245 351	221 899
Special projects DHET			61 413	61 413		61 413	44 017
(Loss) on disposal of PPE		(624)		(624)		(624)	(876)
Profit on investments		256		256		256	11 748
Teaching and research development			179 419	179 419		179 419	164 221
Staff restructuring			4 887	4 887		4 887	2 789
EXPENDITURE			245 719	245 719		245 719	211 027
Special projects DHET			61 413	61 413		61 413	44 017
Staff restructuring			4 887	4 887		4 887	2 789
Teaching and Research Development			179 419	179 419		179 419	164 221
NET SURPLUS		**(365 938)**	**7 361**	**(358 577)**		**(358 577)**	**89 170**
OTHER COMPREHENSIVE INCOME							
Re-measurement gains on defined benefit plans	11	15 357		15 357		15 357	16 168
TOTAL COMPREHENSIVE INCOME		**(350 581)**	**7 361**	**(343 220)**		**(343 220)**	**105 338**

**Certain amounts are restated and those adjustments are reflected in Note 27*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

		Operating Funds - unrestricted			Operating Funds – restricted				Property, Plant and Equipment (PPE)				
	Notes	Accumulated funds Unrestricted	Unrestricted/ designated	Sub Total A	Restricted use funds Residence	Restricted use Funds reserves other	Trust Fund	Sub Total B	Restricted Use	Fixed Asset Fund PPE	Unrestricted Use	Sub Total C	Total (A+B+C)
2014		**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Balance as at 01.01.2014		**5 893 838**	**738 757**	**6 632 595**		**22 104**		**22 104**	**37 866**		**1 133 762**	**1 171 628**	**7 826 327**
Surplus for the year (restated*)		27 634		27 634		7 660		7 660	4 561		65 483	70 044	105 338
Transfers – Credit		427 447		427 447		1 291		1 291					428 738
Transfers – Debit		**(1 291)**	**(427 447)**	**(428 738)**									**(428 738)**
BALANCE AT 31.12.2014 (restated*)		6 347 628	311 310	6 658 938		31 055		31 055	42 427		1 199 245	1 241 672	7 931 665
2015													
Balance as at 01.01.2015		**6 347 628**	**311 310**	**6 658 938**		**31 055**		**31 055**	**42 427**		**1 199 245**	**1 241 672**	**7 931 665**
Surplus		(417 316)		(417 316)		6 844		6 844	7 805		59 447	67 252	(343 220)
Transfers – Credit		311 310	(311 310)			(6 783)		(6 783)					(6 783)
Transfers– Debit		**6 783**		**6 783**									**6 783**
BALANCE AT 31.12.2015		**6 248 405**		**6 248 405**		**31 116**		**31 116**	**50 232**		**1 258 692**	**1 308 924**	**7 588 445**

Transfers-debit/credits relate to transfers the between different types of funds either restricted or unrestricted

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2015

	Note	2015	2014 Restated*
		R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	22	(363 528)	(185 777)
Rental Income	15	4 324	3 444
Interest received	15	203 354	219 157
Dividends received	15	84 538	89 297
Finance cost	18	(7 652)	(11 209)
NET (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES		**(78 964)**	**114 912**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	1	(428 092)	(541 982)
Acquisition of investment property	3	(2 631)	
Acquisition of intangible assets	2	(17 104)	(27 265)
Proceeds on disposal of property, plant and equipment			13
Sale/(Acquisition) of investments		741 504	352 846
NET INFLOW/(OUTFLOW) FROM INVESTMENT ACTIVITIES		**293 678**	**(216 388)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest-bearing borrowings repaid	10	(7 281)	(10 958)
NET OUTFLOW FROM FINANCING ACTIVITIES		**(7 281)**	**(10 958)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		207 433	(112 434)
EFFECT OF FOREIGN EXCHANGE RATE FLUCTUATIONS		105 982	46 353
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		258 602	324 683
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**7**	**572 017**	**258 602**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

1.1 REPORTING ENTITY

The University of South Africa is an institution domiciled in South Africa. The consolidated financial statements of the University as at and for the year ended 31 December 2015 comprise the University and entities which the University has the power to control. The basis of consolidation of the consolidated financial statements is set out in point 2.3. The University as an educational institution is primarily involved in tuition, research and community service in South Africa and beyond.

2. REGISTERED OFFICE

Preller Street
Muckleneuk Ridge
Pretoria

2.1 STATEMENT OF COMPLIANCE

The consolidated financial statements are prepared in accordance and compliance with International Financial Reporting Standards, regulations for annual reporting by Higher Education Institutions and in the manner required by the Minister of Higher Education and Training in terms of section 41 of the Higher Education Act, 1997 (Act No. 101 of 1997), as amended.

2.2 BASIS OF PREPARATION

2.2.1 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following:

- financial instruments at fair value through profit or loss and,
- the defined benefit asset is recognised as the net total of plan assets, plus unrecognised past service cost and unrecognised actuarial losses, less unrecognised actuarial gains and the present value of the defined benefit obligation.

The methods used to measure fair values are discussed further in note 2.19.

The consolidated financial statements have been prepared on the going concern basis.

Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell (refer note 2.6).

2.2.2 Functional currency

The consolidated financial statements are presented in South African Rand, which is the University's functional currency, rounded to the nearest thousand.

2.2.3 Segment information and accumulated funds

A segment is a recognised component of the University that is engaged in undertaking activities and providing services that are subject to risks and returns different from those of other segments. Segmentation provided in the consolidated statement of profit or loss and other comprehensive income of these financial statements is in terms of the guidelines prescribed by the Department of Higher Education and Training.

2.2.4 Specifically funded activities restricted (Education and general)

The specifically funded activities restricted consist mainly of research activity. Here decision-making rights over income earned and related expenses rest with researchers. Council retains an oversight role in regard to ensuring that expenditure is in accordance with the mandate received from funders.

2.2.5 Unrestricted Council controlled funds

The Council controlled segment predominantly represents the teaching component of the University. Decision-making rights relating to income earned in this segment rests with Council.

2.2.6 Use of estimates and judgements

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities as well as income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by Management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 24.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are described in the following notes:

- Note 11 – measurement of defined benefit obligations
- Accounting policy 2.13 – inventory
- Accounting policy 2.12 and note 19 – valuation of financial instruments
- Accounting policy 2.24 – property, plant and Equipment
- Accounting policy 2.11 – provisions

2.3 BASIS OF CONSOLIDATION

The consolidated financial statements include all assets and liabilities of the University of South Africa, the University of South Africa Foundation, and the University of South Africa Fund Inc. Entities are included in the consolidated financial statements when the University has the power to control the entities. Control is achieved when the University:

- has power over the investee
- is exposed, or has rights, to variable returns from its involvement with the investee: and
- has the ability to use its power to affect its returns.

Consolidation of a subsidiary begins when the University obtains control over the subsidiary and ceases when the University loses control of the subsidiary.

2.3.1 Transactions and grants eliminated on consolidation

Transactions

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Grants

Grants between related funds are eliminated in the consolidated annual financial statements.

2.4 PROPERTY, PLANT AND EQUIPMENT

Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Land is stated at cost and is not depreciated as it is deemed to have an unlimited useful life. Property, plant and equipment acquired by means of donations are recorded at nominal value. Artwork is recorded at cost or the estimated fair value at the date of the donation. The fair value is deemed to be a reasonable market value at the date of the donation or the purchase price item. The useful life of artworks is determined to be indefinite. The carrying value is reviewed annually and adjusted for impairment when necessary.

Cost includes expenditure that is directly attributable to the acquisition of the items of property, plant and equipment. The cost of self-constructed items of property, plant and equipment includes the cost of materials and direct labour, any other costs directly attributable to bringing the item to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Work in progress includes all expenditure that is directly attributable to the construction of the items of property, plant and equipment, until the construction is completed and an occupation certificate is issued. Work in progress is capitalised during the construction phase and only depreciated once the building is available for occupation.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Depreciation

Depreciation is the systematic allocation of the depreciable amount of an item of property, plant and equipment over its estimated useful life. Depreciation is charged on the depreciable amount to profit or loss on a straight-line basis over the estimated useful lives of the property, plant and equipment. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the period and are treated as changes in accounting estimates.

The depreciable amount is the difference between the cost of an item of property, plant and equipment and its residual value.

Residual value is the estimated amount that the University would currently obtain from disposal of the item of property, plant and equipment, after deducting the estimated costs of disposal, if the item of property, plant and equipment was already of age and in the condition expected at the end of its useful life.

Leased assets are depreciated over the shorter of the lease term and their useful lives, unless it is reasonably certain that the University will obtain ownership by the end of the lease term.

The estimated useful live for the current and periods are as follows:

- Motor vehicles and farm equipment 5 years
- Laboratory equipment 5–10 years
- Computer equipment 3–8 years

• Furniture and equipment	5–15 years
• Buildings and improvements	75 years
• Library Books	3 years

Where components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The residual values, depreciation method and useful lives of items of property, plant and equipment are reassessed annually and adjusted prospectively, if appropriate.

Subsequent expenditure relating to an item of property, plant and equipment is capitalised when it is probable that future economic benefits from the use of the item of property, plant and equipment will flow to the entity and the costs can be measured reliably. All other subsequent expenditure is recognised as an expense in the period in which it is incurred. Profits/ (losses) on the disposal of items of property, plant and equipment are recognised in profit or loss. The profit or loss is the difference between the net disposal proceeds and the carrying amount of the item of property, plant and equipment.

Routine maintenance costs are recognised in profit or loss as they are incurred. The costs of major maintenance or overhaul of an item of property, plant or equipment are recognised as an expense, except if the cost had been recognised as a separate part of the cost of the item of property, plant and equipment.

2.5 INVESTMENT PROPERTIES

Investment properties are properties which are either held to earn rental income and/or for capital appreciation but not for sale in the ordinary course of business, for use in the production or supply of goods or services, or for administrative purposes. Owner-occupied properties are held for educational activities and administrative purposes. This distinguishes owner-occupied properties from investment properties.

Investment properties are carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated by using the straight-line method to write off the depreciable amount over the investment property's estimated useful life.

The useful life for the current and prior period is:

- Buildings and improvements – 50 years

On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

2.6 NON-CURRENT ASSETS HELD FOR SALE

Non-current assets (or disposal groups comprising assets and liabilities) which are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) are recognised at the lower of the carrying amount and their previous carrying amount and the fair value less costs to sell.

Impairment losses on initial classification as held for sale are included in profit or loss. The same applies to gains and losses on subsequent re-measurement. Gains are not recognised in excess of any cumulative impairment loss. Any impairment loss on a disposal group is allocated to the assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets and employee benefit assets, which continue to be measured in accordance with the University's accounting policies.

2.7 INTANGIBLE ASSETS

An intangible asset is an identified, non-monetary asset that has no physical substance. An intangible asset is recognised when:

- it is identifiable
- the University has control over the asset as a result of a past event
- it is probable that economic benefits will flow to the University and
- the cost of the asset can be measured reliably

The amortisation period, residual values and amortisation method are reassessed annually.

2.7.1 Research

Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding is recognised in profit or loss when incurred.

2.7.2 Computer software

Acquired computer software that is significant and unique to the business is capitalised as an intangible asset on the basis of the cost incurred to acquire and make available for use the specific software.

Costs associated with maintaining computer software programmes are capitalised as intangible assets only if they qualify for recognition. In all other cases, these costs are recognised as an expense as incurred.

Costs that are directly associated with the development and production of identifiable and unique software products controlled by the University and that will probably generate economic benefits exceeding one year are recognised as intangible assets. Direct costs include the costs of software development, employees' costs and an appropriate allocation of relevant overheads.

Computer software is amortised on a straight line basis over its estimated useful life from the date it becomes available for use.

The useful life for the current and prior period is:

- Capitalised software 3–10 years

Subsequent expenditure on capitalised intangible assets is capitalised when it increases the future economic benefits embodied in the specific asset to which it relates and the costs can be measured reliably. All other expenditure is expensed as incurred.

2.8 IMPAIRMENT OF FINANCIAL AND NON-FINANCIAL ASSETS

The carrying amounts of the University's assets other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If there is any indication that an asset may be impaired, its recoverable amount is estimated.

The allowance accounts in respect of student and other receivables are used to record impairment losses unless the University is satisfied that no recovery of the amount owing is possible. At that point the amounts considered irrecoverable are written off directly against the financial asset.

The impairment of student receivables, loans and other receivables is established when there is objective evidence that the University will not be able to collect all amounts due in accordance with the original terms of the credit/loans given, and includes an assessment of recoverability based on historical trend analyses and events that exist at the reporting date. In assessing collective impairment the University uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement. The amount of the impairment adjustment is the difference between the carrying value and the present value. For debtors, impairment losses are recognised in profit or loss.

For loans and receivables the adjustment is established when there is objective evidence that the University will not be able to collect all amounts due according to the original terms of the loan or receivable. Objective evidence includes default of delinquency by a debtor or adverse changes in the payment status of debtors to the University.

An impairment loss is recognised if the carrying amount of a non-financial asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

2.8.1 Calculation of recoverable amount

The recoverable amount of the University's investments in receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

The recoverable amount of a non-financial asset is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

2.8.2 Reversals of impairment

In respect of other non-financial assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

In respect of non-financial assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

An impairment loss in respect of receivables carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. The reversal of impairment losses on these financial assets is recognised in profit or loss.

2.9 FOREIGN CURRENCIES

The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

Foreign currency transactions are translated to the University's functional currency at the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at rates of exchange ruling at the end of the financial year.

It is not the policy of the University to take out forward exchange contracts on foreign currency transactions entered into.

2.10 LEASES

2.10.1 Finance leases

Leases of property, plant and equipment where the University obtains substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised. All other leases are classified as operating leases. The classification is based on the substance and financial reality of the whole transaction rather than the legal form. Leases of land and buildings are analysed separately to determine whether each component is an operating or finance lease.

At the commencement of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at an amount equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. Any direct costs incurred in negotiating or arranging a lease is added to the cost of the asset. The discount rate used in calculating the present value of minimum lease payments is the rate implicit in the lease.

Capitalised leased assets are accounted for as property, plant and equipment. They are depreciated using the straight-line basis at rates considered appropriate to write off the depreciable amount over the estimated useful live. Where it is not certain that an asset will be taken over by the University at the end of the lease, the asset is depreciated over the shorter of the lease period and the estimated useful life of the asset.

Finance lease payments are allocated between the lease finance cost and the capital repayment using the effective interest method. Lease finance costs are charged to operating costs as they become due.

2.10.2 Operating leases

Operating lease payments are recognised in profit or loss on a straight-line basis over the lease term. In negotiating a new or renewed operating lease, the lessor may provide incentives for the University to enter into the agreement, such as up-front cash payments or an initial rent-free period. These benefits are recognised as a reduction in the rental expense over the lease term on a straight-line basis.

2.11 PROVISIONS

Provisions are recognised when the University has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

2.12 FINANCIAL INSTRUMENTS

Non-derivative financial instruments comprise investments in equity and debt securities, student and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables. Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

2.12.1 Measurement

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, directly attributable transaction costs, and for financial instruments through profit or loss, excluding attributable costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

2.12.2 Interest-bearing borrowings

Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

2.12.3 Student and other receivables

Student and other receivables are subsequently classified as loans and receivables and measured at amortised cost using the effective interest method less any impairment losses.

2.12.4 Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost, using the effective interest method. For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, and investments in money market instruments, net of bank overdrafts, all of which are available for use by the University unless otherwise stated. Bank overdrafts that are repayable on demand and form an integral part of the University's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

2.12.5 Trade and other payables

Trade and other payables are liabilities to pay for goods or services that have been received or supplied and have been invoiced or formally agreed with the supplier. Trade payables are subsequently carried at amortised cost using the effective interest method.

2.12.6 Loans and receivables

Loans and receivables are stated at amortised cost, less any impairment losses. Amortised cost represents the original invoice amount less principal repayments received, the impact of discounting to net present value and impairment adjustments, where applicable.

2.12.7 Recognition and de-recognition

A financial instrument is recognised when the University becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the University's contractual rights to the cash flows from the financial assets expire or if the University transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date (the date that the University commits itself to purchase or sell the asset). Financial liabilities are de-recognised when the University's obligations specified in the contract expire or are discharged or cancelled.

2.12.8 Offset

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when the University has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.12.9 Investments at fair value through profit or loss

An instrument is classified as at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the University manages such investments and makes purchase and sale decisions based on their fair value in accordance with the University's documented risk policy. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss. Fair value movement recognised in profit or loss excludes interest and dividends.

2.13 INVENTORY

Inventory is stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling expenses. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition, and is determined using the weighted average cost method. Obsolete, redundant and slow moving inventories are identified on a regular basis and are written down to their estimated scrap values.

2.14 NORMAL TAXATION

The University is exempted from normal taxation in terms of section 10 of the South African Income Tax Act, 1962 (Act No. 58 of 1962).

2.15 FINANCE COSTS AND INCOME

The interest expense component of finance lease payments is recognised in profit or loss using the effective interest method. Interest income is recognised in profit or loss as it accrues, using the effective interest method.

2.16 RELATED PARTIES

Related parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the other party in making financial and operational decisions. Key Management staff and their close family members are also regarded as related parties. Key Management staff are those persons having authority and responsibility for planning, directing and controlling the activities of the University.

2.17 CONTINGENT ASSETS

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the University.

Such contingent assets are only recognised in the financial statements where the realisation of income is virtually certain. If the inflow of economic benefits is only probable, the contingent asset is disclosed as a claim in favour of the University but not recognised in the statement of financial position.

2.18 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the University, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

2.19 DETERMINATION OF FAIR VALUES

A number of the University's accounting policies and disclosures require the determination of fair values, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the methods indicated below. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

2.19.1 Investment property

An external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the University's investment property portfolio. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows is then applied to the net annual cash flows to arrive at the property valuation.

2.19.2 Investments in equity and debt securities

The fair value of financial assets at fair value through profit or loss is determined by reference to their quoted bid price at the reporting date.

2.19.3 Trade and other receivables

The fair value of student and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

2.20 REVENUE

2.20.1 Goods sold

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances and discounts. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be measured reliably, the amount of revenue can be measured reliably, and there is no continuing management involvement with the goods.

2.20.2 Services and tuition fees

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. Stage of completion is assessed based on the proportion that costs incurred to date bear to the estimated total costs, subject to recoverability. Tuition fees are recorded as income in the period to which it relates. Deposits received from prospective students are recognised as income once the service has been rendered.

2.20.3 Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease.

2.20.4 Government grants

An unconditional government grant or subsidy is recognised in profit or loss when the grant becomes receivable. Other conditional government grants are recognised initially as deferred income when there is reasonable assurance that they will be received and that the University will comply with the conditions associated with the grant. Grants that compensate the University for expenses incurred are recognised in profit or loss on a systematic basis in the same periods in which the expenses are recognised.

Non-monetary assets received through a government grant are accounted for at a nominal amount.

2.20.5 Donations

Income received is related to the receipt of donations or entitlement thereto. Donations are received in the form of Non-Restricted Donations and Restricted Donations. The accounting treatment of Donations is not specifically determined in IFRS however the principles set forth in terms of IAS 18, paragraph 20 of IAS 18 will be applied in determining the appropriate accounting treatment for donations received and/or receivable as a result Foundations' mandate being that of collecting and managing donations.

Non-Restricted Donations

Non-Restricted donations are donations received which do not explicitly require the fulfilment of a contingency. Therefore there is no contingency required to be fulfilled before the right to the donations is transferred to the entity. Donations Income will be recognised to the extent that the principles set forth in paragraph 20 of IAS 18 have been met.

Restricted Donations

Restricted donations are donations received which contains a specific purpose. Therefore there is a contingency that is required to be fulfilled before the right to the donation/s is transferred to the entity. Donations Income will be recognised primarily on the basis of stage of completion in respect of the contingency and to the extent conditions set forth in paragraph 20 of IAS 18 have been met.

2.20.6 Dividend and interest income

Dividend income is recognised when the right to receive payment is established.

2.21 EMPLOYEE BENEFITS

2.21.1 Short-term employee benefits

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service. The accruals for employee entitlements to salaries and annual leave represent the amount which the University has a present obligation to pay as a result of employee services provided to the reporting date. The accruals have been calculated at undiscounted amounts based on current salary rates.

2.21.2 Long-term service benefits

The University's net obligation in respect of long-term service benefits, other than pension plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value and the fair value of any related assets is deducted. Any actuarial gains and losses are recognised in profit or loss in the period in which they arise. The discount rate is the yield at the reporting date on AAA credit rated bonds that have maturity dates approximating to the terms of the University's obligation.

2.21.3 Termination benefits

Termination benefits are recognised as an expense in profit and loss when the University is demonstrably committed without realistic possibility of withdrawal to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the University has made an offer encouraging voluntary redundancy, if it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

2.21.4 Defined contributions plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution retirement plans are recognised as an employee benefit expense in profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

2.21.5 Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The University's net obligation in respect of defined benefit retirement plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value.

The fair value of any plan assets and any unrecognised past service costs is deducted. The discount rate is the market yield at the reporting date on government bonds that have maturity dates approximating to the terms of the University's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

When the calculation results in a benefit to the University, the recognised asset is limited to the net total of any unrecognised past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

The University recognises all actuarial gains and losses arising from defined benefit plans immediately in other comprehensive income.

2.22 BASIS OF APPORTIONMENT BETWEEN FUNDS

2.22.1 Short-term assets and liabilities

Short-term assets and liabilities are accounted for in the various fund groups in which the related additions and deductions are reflected.

2.22.2 Investment income

The allocation of investment income and realised profits or losses on pooled investments is based on the effective monthly balances. Funds in the fund group restricted use and funds of Institutes and Centres which are not in terms of University policy invested in listed bonds and equities do not share in the investment income and the realised profits or losses of these investments.

2.23 OTHER

2.23.1 Transfers

Transfers are made to reserves in respect of property, plant and equipment to make provision for current and future fixed asset renovations, upgrading, acquisitions and maintenance.

2.23.2 Funds administered on behalf of Department of Higher Education and Training

As legal successor for the former Vista University, the University administers the medical aid liability of the Vista pensioners on behalf of the Department of Higher Education and Training. These funds are recognised as a non-current liability.

NOTE 1: PROPERTY, PLANT AND EQUIPMENT

	Note	Land and buildings	Furniture and equipment	Computer equipment and leased assets	Vehicles & farm equipment	Laboratory, museum, art and audio-visual	Library	Total
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
At 1 January 2014								
Cost		2 196 455	293 355	312 215	9 878	88 322	658 871	3 559 096
Accumulated depreciation		(283 426)	(127 815)	(89 453)	(6 311)	(30 156)	(597 061)	(1 134 222)
Net carrying value restated		**1 913 029**	**165 540**	**222 762**	**3 567**	**58 166**	**61 810**	**2 424 874**
At 31 December 2014								
Opening net book amount		1 913 029	165 540	222 762	3 567	58 166	61 810	2 424 874
Transfer from investment property		3 447						3 447
Additions		80 967	144 425	111 406	5 718	166 392	33 074	541 982
Disposals			(6 413)	(12 695)		(1 365)	(34 273)	(54 746)
Depreciation on disposals			6 323	12 102	151	802	34 273	53 651
Depreciation		(51 387)	(51 716)	(71 399)	(2 200)	(18 689)	(41 276)	(236 667)
Closing net carrying value restated		**1 946 056**	**258 159**	**262 176**	**7 236**	**205 306**	**53 608**	**2 732 541**
At 1 January 2015								
Cost		2 280 869	431 367	410 926	15 596	253 349	657 672	4 049 779
Accumulated depreciation		(334 813)	(173 208)	(148 750)	(8 360)	(48 043)	(604 064)	(1 317 275)
Net carrying value		**1 946 056**	**258 159**	**262 176**	**7 236**	**205 306**	**53 608**	**2 732 541**
At 31 December 2015								
Opening net book amount		1 946 056	258 159	262 176	7 236	205 306	53 608	2 732 541
Transfer to investment property		(4 455)						(4 455)
Transfer from Assets held for sale		584						584
Additions		65 666	34 052	124 258	2 880	149 434	51 802	428 092
Disposals			(6)	(43 902)	(317)	(50)	(53 593)	(97 868)
Depreciation on disposals				43 288	317	46	53 593	97 244
Depreciation		(48 148)	(45 348)	(93 160)	(1 622)	(41 578)	(43 525)	(273 321)
Closing net carrying value		**1 959 704**	**246 857**	**292 659**	**8 493**	**313 218**	**61 885**	**2 882 816**
At 31 December 2015								
Cost		2 342 766	465 413	491 282	18 159	402 733	655 881	4 376 234
Accumulated depreciation		(383 062)	(218 556)	(198 623)	(9 666)	(89 515)	(593 996)	(1 493 418)
Net carrying value		**1 959 704**	**246 857**	**292 659**	**8 493**	**313 218**	**61 885**	**2 882 816**
Net carrying value								
At 31 December 2015		**1 959 704**	**246 857**	**292 659**	**8 493**	**313 218**	**61 885**	**2 882 816**
At 31 December 2014 restated		**1 946 056**	**258 159**	**262 176**	**7 236**	**205 306**	**53 608**	**2 732 541**
At 01 January 2014 restated		**1 913 029**	**165 540**	**222 762**	**3 567**	**58 166**	**61 810**	**2 424 874**

A register of land and buildings owned by the University is available at the University's registered address. The University is not permitted to dispose of or alienate land and buildings without the approval of the Minister.

Land included in the above land and buildings

	Note	2015 R'000	2014 R'000
Balance as at 1 January		154 442	154 442
Balance as at 31 December		**154 442**	**154 442**

Leased assets included in the above comprise certain computer equipment, purchased in terms of financial lease agreements.

	2015 R'000	2014 R'000
Opening net carrying value	1 966	20 510
Net acquisitions	(1 962)	(15 421)
Depreciation	(4)	(3 123)
Balance as at 31 December		**1 966**

Capitalised leased assets are encumbered in terms of finance lease agreements (refer note 10).

NOTE 2: INTANGIBLE ASSETS

	Note	2015 R'000	2014 Restated R'000	As at 01 January 2014 Restated R'000
Computer Software & Library Databases				
Cost				
Balance as at 1 January		156 301	130 147	99 221
Acquisitions		17 104	27 265	44 507
Disposals			(1 111)	(13 581)
Balance as at 31 December		**173 405**	**156 301**	**130 147**
Accumulated amortisation				
Balance as at 1 January		(68 322)	(44 848)	(39 993)
Amortisation for the year		(27 267)	(24 585)	(18 436)
Disposals			1 111	13 581
Balance as at 31 December		**(95 589)**	**(68 322)**	**(44 848)**
Carrying value				
At 31 December		**77 816**	**87 979**	**85 299**

NOTE 3: INVESTMENT PROPERTY

	2015 R'000	2014 R'000
Cost		
Balance as at 1 January	26 589	31 748
Transferred to Property, Plant & Equipment	4 900	(5 159)
Additions	2 631	
Balance as at 31 December	**34 120**	**26 589**
Accumulated depreciation and impairment losses		
Balance as at 1 January	(5 793)	(6 860)
Transferred to Property, Plant & Equipment	(445)	1 713
Depreciation for the year	(2 024)	(646)
Balance as at 31 December	**(8 262)**	**(5 793)**
Carrying value		
At 31 December	**25 858**	**20 796**

The investment property was valued during 2014 by Corporate Valuations CC, a registered independent property appraiser having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. Fair values were determined by using the income capitalisation method. The fair value as determined by the property appraiser as at 31 May 2014 amounted to R42,7 million. University's assessment of the valuation indicated no significant change in the fair value of the property as at the reporting date. The property will be valued in 2019.

Rental income from investment property amounted to R4,324 million (2014: R3,444 million) and the direct operating expenses amounted to R0,135 million (2014: R0,526 million).

A register of the land and buildings included in investment properties is available at the University's registered address.

NOTE 4: INVENTORIES

	2015 R'000	2014 R'000
Study materials and courseware	93 371	86 242
Work in process	7 914	
Technical inventories	2 125	1 827
Consumable inventory	16 915	15 117
	120 325	**103 186**

NOTE 5: TRADE AND OTHER RECEIVABLES

	2015	2014 Restated	As at 01 January 2014 Restated
	R'000	R'000	R'000
Student receivables core	170 052	176 834	182 753
Prepayments	61 445	70 533	28 810
Department of Higher Education and Training	24 523		190 956
Accrued interest	23 467	31 073	32 202
National Student Financial Aid Scheme (NSFAS)	65 331	65 591	41 138
Other receivables	30 158	176 296	86 835
	374 975	**520 327**	**562 694**

Trade receivables are non-interest bearing and are generally on 60 -120 days. As at 31 December 2015 trade receivables of an initial value of R163.1 million (2014: R142.4 million) were impaired and fully provided for. See below for the movements in the provision for impairment of receivables.

Movement in the allowance for impairment in respect of student and other receivables

	2015	2014 Restated	As at 01 January 2014 Restated
Student receivables			
Balance as at 1 January	69 151	38 000	70 778
Impairment loss reversed	(57 386)	(35 654)	(70 778)
Impairment loss recognised	82 319	66 805	38 000
Balance as at 31 December	**94 084**	**69 151**	**38 000**
Other receivables			
Balance as at 1 January	73 220	17 077	15 341
Impairment loss reversed	(23 810)	(7 279)	(3 593)
Impairment loss recognised	19 621	63 422	5 329
Balance as at 31 December	**69 031**	**73 220**	**17 077**
Total allowance for impairment	**163 115**	**142 371**	**55 077**

The University's exposure to credit, currency and interest rate risks relating to trade and other receivables is disclosed in note 19.

NOTE 6: OTHER INVESTMENTS

	Note	2015	2014 Restated	As at 01 January 2014 Restated
		R'000	R'000	R'000
Non-current investments				
Designated at fair value through profit and loss		231 628	272 000	
Current investments				
Designated at fair value through profit and loss		68 498	70 568	239 829
Held for trading instruments	27	5 432 924	6 190 707	6 297 313
		5 501 422	**6 261 275**	**6 537 142**
		5 733 050	6 533 275	6 537 142

The University's exposure to credit, currency and interest rate risks relating to other investments is disclosed in note 19.

NOTE 7: CASH AND CASH EQUIVALENTS

	2015 R'000	2014 R'000
Bank balances and cash on hand	215 535	164 239
Domestic cash portfolio	286 138	10 714
Short-term bank deposits, money market deposits	70 344	83 649
	572 017	**258 602**

The weighted average effective interest rate, for the year, earned on short-term bank deposits was 6.63% (2014: 6.76%). The University's exposure to interest rate risks and a sensitivity analysis for financial assets and liabilities are disclosed in note 19.

NOTE 8: NON-CURRENT ASSETS HELD FOR SALE

The Council has formally approved the disposal of the three residential properties in Florida. As the University is awaiting approval in terms of Section 20(5) of the Higher Education Act 101 of 1997, the process is expected to exceed one year. During the year under review the university reversed its decision:

	2015 R'000	2014 R'000
Carrying Value		
Immovable property and improvements thereon	584	584
Transferred to property, plant and equipment	(584)	(584)
		584

NOTE 9: FUNDS

	Note	2015 R'000	2014 Restated R'000	As at 01 January 2014 Restated
Property, plant and equipment distributable reserves				
Held for investment in property, plant and equipment.		**1 308 924**	**1 241 672**	**1 171 628**
The balance represents funds set aside for investment in property, plant and equipment.				
Distributable reserves				
Unrestricted	**27**	**6 248 405**	**6 658 938**	**6 632 595**
The balance represents operating funds controlled by Council.				
Restricted		**31 116**	**31 055**	**22 104**
The balance represents operating and property, plant and equipment funds restricted for specific use.				

NOTE 10: INTEREST-BEARING BORROWINGS

	2015 R'000	2014 R'000
Finance Leases		
Liability arising from finance lease agreements. The liabilities bear interest at rates linked to the prime bank lending rate and are repayable in monthly instalments.		7 281
Less		
Amounts payable within twelve months included in current liabilities		(7 281)
		0

Finance lease liabilities

Finance lease liabilities are payable as follows:

	2015 Future minimum lease payment R'000	2015 Interest R'000	2015 Present value of minimum lease payment R'000	2014 Future minimum lease payments R'000	2014 Interest R'000	2014 Present value of minimum lease payment R'000
Less than one year				7 790	509	7 281
Between one and five years						
				7 790	**509**	**7 281**

NOTE 11: POST-EMPLOYMENT OBLIGATIONS

11.1 Post-Employment Medical Obligations: Former UNISA, TSA and Vista (Vudec)

In accordance with past personnel practice, the Council has undertaken to make contributions to a defined benefit plan that provides medical benefits for employees upon retirement. The plan entitles retired employees and future retirees of the former Unisa to receive the following contributions:

- Employees who retired up to and including 30 June 1990 – 100% of the premium;
- Employees who retired on or after 1 July 1990 and were employed by Unisa before 1 February 1996, receive a subsidy of 80% of contributions to Bonitas and 73,44% of contributions to Bestmed;
- Employees who are employed as from 1 February 1996 up to and including 31 August 2003 – 50% of the premium;
- Employees who are employed as from 1 September 2003 – 2% per year of employment with a maximum of 50% of the premium;
- TSA members receive a subsidy of 60% of contributions, inclusive of any savings account contribution, on retirement;
- Vudec members receive a subsidy of 70% of contributions. The entitlement of these benefits is based upon employment prior to 1 January 2000;
- Employees employed after 31 December 2005 receive no post-retirement medical benefits.

Amounts recognised in the statement of financial position:

	2015 R'000	2014 R'000
Post-employment defined benefit medical obligations	762 695	722 204
Non-Current		
Post-employment defined benefit medical obligations	717 246	679 653
Amounts payable within one year, included in current liabilities		
Post-employment defined benefit medical obligations	45 449	42 551

The present value of this commitment is valued by an independent actuary, based on the specific contribution rates, and the costs are spread over the expected remaining period of employment.

The post-employment medical obligation is unfunded. The last actuarial valuation was at 31 December 2015.

	2015 R'000	2014 R'000
Liability		
Present value of unfunded defined benefit obligation	762 695	722 204
Present value of unfunded defined benefit obligation comprises liabilities towards:		
Active employees	163 536	161 571
Continuation members	599 159	560 633
	762 695	**722 204**

Amounts recognised in profit or loss

Included as personnel costs in profit or loss

	2015	2014
Current service cost	6 941	6 463
Interest cost	57 407	55 170
	64 348	**61 633**

Movement in the net liability recognised in the statement of financial position is as follows:

	2015	2014
Net liability at beginning of year	722 204	674 096
Expense recognised in profit or loss	64 348	61 633
Actuarial gains/losses	18 694	25 786
Benefits payments	(42 551)	(39 311)
Liability at end of year	**762 695**	**722 204**

Historical information

	2014 R'000	2013 R'000	2012 R'000	2011 R'000	2010 R'000
Experience adjustments arising on plan liabilities	(18 694)	(25 786)	(2 824)	(61 810)	46 779

Membership

	2015	2014
Active employees	229	250
Continuation members	878	882
Total number of members at year end	**1 107**	**1 132**

There has been a decrease in the number of active employees due to the majority of employees accepting a buy-out option. Liability buy-out options were offered to current employees, eligible as at 31 December 2005. At 31 December 2015, 229 employees have chosen not to elect the buy-out option.

Valuation assumptions

	2015	2014
Discount rate	10.05%	8.19%
Healthcare inflation costs	9.49%	7.37%
Real discount rate	0.51%	0.76%

Sensitivity analysis

	Variation	Current Obligations R'000	Revised Obligations R'000	% Change
Assumptions				
Real discount rate	-100 basis points			
Active members		163 536	194 034	18.6%
Continuation members		599 159	657 897	9.8%
		762 695	**851 931**	
Real discount rate	+100 basis points			
Active members		163 536	139 352	(14.8%)
Continuation members		599 159	549 368	(8.3%)
		762 695	**688 720**	
Medical inflation rate	1% increase	762 695	843 151	10.5%
	1% decrease	762 695	693 682	(9.0%)

	Variation	Current Obligations R'000	Service costs plus interest R'000	% Change
Medical cost trends	1% increase	762 695	90 551	11.4%
	1% decrease	762 695	73 335	(9.8%)

11.2 Defined benefit pension fund asset

The assets of the Unisa Retirement Fund ("Unisarf", or the "Fund") are held independently of the University of South Africa's assets in a separate trustee-administered fund.

The Fund is valued by independent actuaries every three years, in line with the statutory requirement in terms of Section 16(8) of the Pension Funds Act. The last statutory valuation was undertaken with an effective date of 31 December 2014 and the Valuator reported that the Fund was in a sound financial position at that date. The next statutory valuation is to be performed with an effective date of 31 December 2017.

A valuation has been carried out as at 31 December 2015 specifically for the purposes of the University's IAS19 disclosure requirement. The purpose of this valuation is to quantify the net pension asset or liability in respect of the defined benefit element of Unisarf for recognition in terms of the IAS19 accounting standard. The movement in the value in the Fund's defined benefit assets and liabilities has been shown below.

	2015 R'000	2014 R'000
Projected benefit obligations	(856 295)	(733 448)
Fair value of plan assets	1 110 324	934 905
Pension fund asset at year end	**254 029**	**201 457**
Asset Limitation	(72 488)	(45 486)
Pension fund asset at year end after asset limitation	**181 541**	**155 971**

Plan assets comprise

	2015	2014
Equity securities	456 343	400 139
Bonds and cash	653 981	534 766
	1 110 324	**934 905**

At 31 December 2015, 41.1% (2014:42.8%) of the plan assets were invested in equity securities and 58.9% (2014:57.2%) were invested in bonds and cash.

Movement in the present value of the defined benefit obligations

	2015	2014
Defined benefit obligation 1 January	733 448	637 209
Transfers in – new pensioner capital	133 464	50 963
Benefits paid by the plan (net of reinsurance recoveries)	(68 356)	(54 329)
Current service cost and interest	71 071	60 648
Actuarial (losses)/gains recognised	(13 332)	38 957
Defined benefit obligation as at 31 December	856 295	733 448

Movement in the present value of plan assets

	2015	2014
Fair value of plan assets at 1 January	934 905	841 026
Transfers in – new pensioner capital	133 464	50 963
Benefits paid by the plan	(68 356)	(54 329)
Expected return on plan assets	84 169	75 541
Actuarial gains	26 142	21 704
Fair value of plan assets at 31 December	**1 110 324**	**934 905**

Historical information:

	2015 R'000	2014 R'000	2011 R'000	2010 R'000	2009 R'000
Present value of the defined benefit obligations	(856 295)	(733 448)	(637 209)	(569 517)	(438 578)
Fair value of plan assets	1 110 324	934 905	841 026	627 264	519 297
Pension fund asset at year-end	**254 029**	**201 457**	**203 817**	**57 747**	**80 719**
Asset limitation	(72 488)	(45 486)	(117 314)		
Pension fund asset at year-end after asset limitation	**181 541**	**155 971**	**86 503**	**57 747**	**80 719**
Experience adjustments arising on plan liabilities	(13 332)	38 957	(59 260)	(53 765)	(19 085)
Experience adjustments arising on plan assets	26 142	21 704	85 751	26 611	7 136

Amounts recognised in profit or loss and other comprehensive income:

	2015 R'000	2014 R'000
Current service costs	4 074	3 166
Interest on obligation	66 997	57 482
Expected return on plan assets	(84 169)	(75 541)
	(13 098)	**(14 893)**

Movements in the pension fund asset recognised in the statement of financial position are as follows:

Net asset at beginning of year	155 971	86 503
Net movement for the year	25 570	69 468
Net asset at end of year	181 541	155 971
Actual return on plan assets	12.2%	10.1%

Key valuation assumptions

Investment returns	10.00%	8.70%
Inflation	7.40%	6.20%
Salary increases	10.10%	8.90%
Pension increase	3.70%	3.10%
Pensioner mortality	PA(90)-1*	PA(90)-1*
Capitalisation factor for minimum benefit	6% PA(90)-1*	6% PA(90)-1*
Discount rate	10.00%	8.70%

The expected return on assets in 2015 and 2014 is the same as the rate used to discount the liabilities in each respective year, thus no provision has been made for the equity risk premium.

* Per the standard actuarial tables.

Sensitivity analysis

The sensitivity of the pension fund surplus to changes in certain key valuation assumptions is disclosed below:

Assumption	Variation	Current Assets	Revised Asset	% Change
Investment return	1% decrease	1 110 324	95 718	(62.3%)
Investment return	1% increase	1 110 324	181 541	0.0%
Salary increases	1% increase	1 110 324	168 173	(7.40%)
Salary increases	1% decrease	1 110 324	181 541	0.0%

The University expects to pay R336 million in contributions to be paid during 2016 in respect of its in-service members (i.e. R186 million employer contribution and R150 million employee contribution). No further contributions will be made in respect of the minimum, benefit guarantee from 2014.

11.3 National Tertiary Retirement Fund guarantee

In November 1994, the former TSA withdrew from the Government pension fund and transferred their funds to the National Tertiary Retirement Fund (NTRF). The NTRF is a defined contribution fund governed by the Pensions Act, 1956. In terms of the conditions of transfer, staff members who were in the employ at 30 November 1994 and members of the Government pension fund were guaranteed that they would not be worse off than if they remained on the defined benefit scheme. Any liability arising from the guaranteed amount is accounted for as a defined benefit obligation.

The fund is financed by employer and employee contributions and designated investment income. The University's contributions in respect of the defined benefit structure are based on actuarial advice and are shown in profit or loss. It is policy to ensure that the fund is adequately funded to provide the benefits of members, and particularly to ensure that any shortfall with regard to the defined benefit structure is being met by additional contributions.

A valuation has been carried out as at 31 December 2015 specifically for the purposes of the University's IAS19 disclosure requirement. The purpose of this valuation is to quantify the net pension asset or liability in respect of the defined benefit element of the NTRF for recognition in terms of the IAS19 accounting standard. Liabilities in respect of the defined benefit structure are calculated based on assumptions regarding the expected experience in respect of death, withdrawals, early retirement, family statistics, rate of increase in pensionable remuneration administration costs and the expected yield on assets.

Liability

	2015 R'000	2014 R'000
Present value of unfunded defined benefit obligation guaranteed	**47 310**	**66 463**

Amounts recognised in profit or loss and other comprehensive income:

Current service costs	1 347	1 522
Interest costs	4 930	5 033
Included in personnel costs	**6 277**	**6 555**

Movements in the pension fund liability recognised in the statement of financial position are as follows:

	2015 R'000	2014 R'000
Liability at beginning of year	66 463	61 165
Expense recognised	6 277	(13 073)
Benefits paid	(7 808)	(4 808)
Re-measurements	(17 622)	23 179
Liability at end of year	**47 310**	**66 463**

Sensitivity Analyses

The sensitivity of the liability to changes in the net discount rate is disclosed below:

	Variation	Current liability	Revised Liability	% Change
Assumption	0.9% increase	47 310	24 139	48.98%
Net discount rate	1.8% increase	47 310	12 994	72.53%

Principal actuarial assumptions used for accounting purposes were

	2015	2014
Expected rate of return	10.28%	8.35%
Future pension increases	4.49%	3.62%
Future salary increases	9.16%	7.58%
The SA 56-62 ultimate table was used as a basis for mortality assumptions.		

The University expects R57 million in contributions to be paid to the funded defined benefit plan of which employee contributions are R19 million and employer contribution is R38 million..

11.4 Former Vista University Distance Education Centre (Vudec)

South Africa's assets in a separate fund administered by SANLAM. The Vista University Pension and Provident Funds are defined contribution funds. Employer contributions for active members are credited against the Provident Fund and employee contributions to the Pension Fund.

The liability in respect of the pensioners has been outsourced to Quantum Pensions, a Sanlam insurance product.

The Vista University Pension and Provident Funds are valued by independent actuaries every three years. The last actuarial valuation was carried out on 31 December 2014 and the Funds were fully funded.

The members of the Vista University Pension and Provident Fund have been moved to the Unisa Retirement Fund with effect from 01 March 2015.

11.5 Re-measurement gains and (losses) in other comprehensive income

	Note	2015 R'000	2014 Restated R'000
Post-retirement Medical Aid		(18 694)	(25 786)
National Retirement Tertiary Fund guarantee		17 622	(23 179)
Unisarf Actuarial (loss)/gain		13 332	(38 957)
Return on planned assets		26 142	21 704
Asset ceiling limitation		(23 045)	82 386
	27	**15 357**	**16 168**

NOTE 12: ACCUMULATED LEAVE LIABILITY

	Note	2015	2014
			Restated
		R'000	R'000
Balance at beginning of the year		232 137	191 054
Net current year charge to profit or loss		35 069	41 083
Balance at end of year		267 206	232 137
Non-Current			
Accumulated leave liability		**253 794**	**209 340**
Amounts payable within one year, included in current liabilities			
Accumulated leave liability		13 412	22 797

This represents the provision for annual leave. Entitlement only occurs upon the passing away, resignation or retirement of a staff member.

NOTE 13: TRADE AND OTHER PAYABLES

	Note	2015	2014	As at 01 January 2014
			Restated	Restated
		R'000	R'000	R'000
Trade payables		49 542	169 356	214 224
Sundry Creditors		183 072	169 686	123 422
Accruals		218 268	87 988	37 347
DHET (Vista Debtors)		14 096	13 723	13 628
Bursaries		33 120	34 245	30 713
Other		309 931	337 957	191 945
	27	**808 029**	**812 955**	**611 279**

Terms and conditions of the above financial liabilities

Trade payables, sundry creditors and other payables are non-interest bearing and are normally settled on 60-day terms

Bursaries are non-interest bearing and are distributed to student accounts as and when they are allocated.

DHET (Vista Debtors) are non-interest bearing and payable upon demand

NOTE 14: DEFERRED INCOME

	Note	2015 R'000	2014 Restated R'000
The amount represents student fees received in advance in respect of the 2015 academic and financial year. The student fees are recognised as income in the year when tuition is provided to the student.		19 188	41 866
Various other grants received by the University during 2015 to the amount of R16,774 million (2014: R5,892 million). The University has spent R5,998 million during 2015 (2014: R6,144).		18 325	7 749
The Department of Higher Education and Training (DHET) has made twelve funding allocations to the University:			
An amount of R100 million for the improvement of infrastructure and student output efficiencies received in prior years. For 2015, an amount of R0.905 million (2014: R0,389 million) was spent on infrastructure, and R3,731 million (2014: R2,605 million) was charged through profit and loss.		75 082	78 814
An amount of R39,2 million for infrastructure and efficiency (undergraduate engineering laboratories – Florida campus) received in prior years. Amount of R18,259 million during 2015 (2014: R18,432 million) was charged through profit and loss.		776	19 035
An amount of R50 million for staff restructuring received in prior years. The University has spent R4,887 million during 2015 (2014: R2,789 million).		481	5 367
An amount of R87,130 million for Infrastructure and Efficiency Funds (FC1 to FC9) received in prior years. An amount of R5,894 million (2014: R1,343 million) was spent on infrastructure, and R 5,896 million (2014: R3,049 million) was charged through profit and loss.		77 914	83 810
An amount of R0 million (2014: 0 million) for Research development. The University has spent R30,209 million during 2015 (2014: R39,328 million).			30 209
An amount of R131,032 million (2014: Rnil) for Teaching development. The University has spent R148,311 million during 2015 (2014: R124,790 million) was spent and R148,333 million (2014: R124 796 million) was charged through profit and loss.		44 701	61 802
An amount of R17,395 million for New generation of academics programme (Ngap). The university did not spend in 2015.		17 395	
An amount of R2,478 million for infrastructure and efficiency (ICT infrastructure) .The university spent R0,615 million in 2015.		1 860	
An amount of R24,5 million for infrastructure and efficiency (Maintenance). The university spent R7,204 million in 2015.		17 296	
An amount of R0 (2014: Rnil) for foundation programmes. The University has spent R23,931 million during 2015 (2014: R18,415 million).		90	24 020
An amount of R1,754 million (2014: R0,787 million) was received during 2015 for Teaching collaborative grant. The university has spent R1,078 million during 2015 (2014: R0,97 million).		1 366	690
An amount of R0,995 million (2014: Rnil) was received for veterinary sciences programmes. The University has spent R1,746 million during 2015 (2014: R1,518 million) and R1,785 million was charged to profit or loss.		1 191	1 981
		275 665	**355 343**

NOTE 15: INVESTMENT INCOME AND FAIR VALUE ADJUSTMENTS

	Note	2015 R'000	2014 Restated R'000
Rental Income		4 324	3 444
Interest income			
General		13 952	9 900
Held for trading instruments	27	189 402	209 257
		203 354	219 157
Dividend income			
Held for trading instruments		84 538	89 297
		292 216	**311 898**
Fair value adjustments			
Designated at fair value		(40 372)	(28 000)
Held for trading instruments	27	(18 606)	365 230
		(58 978)	**337 230**

NOTE 16: PERSONNEL COSTS

	Note	2015 R'000	2014 Restated R'000
Academic and professional		1 657 075	1 520 517
Other personnel costs	27	2 374 045	1 976 955
		4 031 120	3 497 472

Included in Other personnel costs is an amount of R73,570 million (2014: R67,462 million) paid to invigilators, examiners tutors and markers .

Compensation paid to Senior Management and Council members is included in other personnel costs, and disclosed in note 23.

The number of persons employed as at 31 December 2015

	2015	2014
Full time	4 848	4 793
Part time	920	860
	5 768	**5 653**

NOTE 17: OTHER CURRENT OPERATING COSTS

The following items have been charged in arriving at the net surplus:

	Note	2015 R'000	2014 Restated R'000
Supplies and services		1 373 465	1 321 506
Cost of services outsourced		126 894	105 440
Maintenance		85 520	84 792
Bursaries		187 451	139 893
Non-capitalised assets		41 936	84 990
(Profit) on exchange rate transactions		(105 982)	(46 353)
Impairment write off		98 795	142 114
Student receivables		82 319	66 805
Sundry debtors		16 476	75 309
Operating lease charges		79 557	54 334
Property		70 873	47 029
Vehicles		8 684	7 305
Auditors remuneration		10 594	6 213
Audit		6 755	5 828
Expenses		3 839	213
Other services			172
	27	**1 898 230**	**1 892 929**

NOTE 18: FINANCE COSTS

	2015 R'000	2014 R'000
Interest-bearing borrowings		
Finance leases	7 088	1 543
Interest paid other	564	9 666
	7 652	**11 209**

NOTE 19: FINANCIAL INSTRUMENTS

	Note	Total	At fair value through profit and loss (Held for trading)	At fair value through profit and loss (Designated at fair value)	Loans and receivables	Financial liabilities at amortised cost	Other financial instruments outside of the scope of IAS39 (AC 133)
2015		**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Assets							
Student receivables	5	170 052			170 052		
Trade and other receivables	5	204 923			204 923		
Other investments	6	5 733 050	5 432 924	300 126			
Cash and cash equivalents	7	572 017			572 017		
Total assets		**6 680 042**	**5 432 924**	**300 126**	**946 992**		
Liabilities							
Funds administered on behalf of DHET		(68 606)				(68 606)	
Trade and other payables	13	(808 029)				(808 029)	
Student deposits		(150 442)				(150 442)	
Total liabilities		**(1 027 077)**				**(1 027 077)**	
2014							
Assets							
Student receivables	5	176 834			176 834		
Trade and other receivables	5	343 493			343 493		
Other investments	6, 27	6 533 275	6 190 707	342 568			
Cash and cash equivalents	7	258 602			258 602		
Total assets		**7 312 204**	**6 190 707**	**342 568**	**778 929**		
Liabilities							
Funds administered on behalf of DHET		(70 869)				(70 869)	
Trade and other payables	13,27	(812 955)				(812 955)	
Student deposits		(214 344)				(214 344)	
Current portion of finance lease agreements	10	(7 281)					(7 281)
Total liabilities		**(1 105 449)**				**(1 098 168)**	**(7 281)**

Financial risk management

The University's principal financial instruments comprise the following: interest-bearing borrowings, financial assets at fair value through profit or loss (including equity instruments, debt instruments and unit trust investments) as well as cash and cash equivalents. The main purpose of these financial instruments is to fund the University's current and future operations. The University has other financial assets and liabilities such as student and other receivables and trade payables, which arise directly from its operations.

The main risks arising from the University's financial instruments are credit risk, market risk and liquidity risk.

The University's financial risk management objectives and policies are governed by a formalised investment policy and related procedures approved by the Council of the University. The means by which the risks referred to above are managed include a specified strategic asset allocation between different categories of financial assets and the appointment of specialised investment managers. The investment managers are issued with specific mandates that include restrictions to manage the financial risks referred to above. The Operational Investment Committee monitors the investment performance on a regular basis.

The University does not undertake any specific hedging activities.

19.1 Credit risk

Credit risk is the risk of financial loss to the University if a student, employee or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the University's receivables from students, employees and investment securities.

The University is exposed to credit risk arising from student receivables relating to outstanding fees. The University requires students to pay a minimum deposit on registration in respect of fees in order to mitigate this risk. Outstanding fees are monitored on a regular basis and action is taken in respect of long outstanding amounts. The University is also exposed to credit risk arising from unsecured vehicle loans made to employees. The university no longer grants loans.

Credit risk also arises from the University's other financial assets, which comprise cash and cash equivalents and financial assets at fair value through profit or loss. The University places cash and cash equivalents with reputable financial institutions and invests through specialised investment managers with mandates restricting credit risk exposure.

19.1.1 Exposure to credit risk

Impairment Losses

The ageing of student receivables at the reporting date was:

		2015		2014
	Gross debtors impaired	Gross debtors not impaired	Gross debtors impaired	Gross debtors not impaired
	R'000	R'000	R'000	R'000
Past 120 days	94 084	170 052	6 9151	176 834
More than one year				
Total	**94 084**	**170 052**	**6 9151**	**176 834**

All debtors that are passed 120 days are past due.

The maximum exposure to credit risk for student fees receivables at the reporting date by geographic region was:

	2015 R'000	2014 R'000
Domestic	162 917	172 375
Foreign students	7 135	4 448
	170 052	**176 834**

For other financial assets the maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

19.2 Market risk

19.2.1 Interest rate risk

The University manages its exposure to interest rate risk by limiting its investments in interest-bearing financial assets, as specified in its strategic asset allocation and mandate to investment managers. The level of interest-bearing borrowings is also monitored and kept at a conservative level.

19.2.1.1 Exposure to interest rate risk

19.2.1.1.1 Short term assets

The following table reflects the market value of the domestic cash portfolio:

	2015 R'000	2014 R'000
Domestic cash portfolio	286 138	10 714

The University measures the value of the domestic cash portfolio for the purposes of its financial statements at amortised costs. As such, the market risk variable to which the University is exposed in terms of these assets is interest rates (domestic only). Cash balances bear interest at variable rates.

Sensitivity analysis: Interest Rate Movements

The sensitivity analysis below focuses on cash flow sensitivity (the impact on future interest-related cash flows). It is understood that while interest rate changes may not have a significant impact on the fair value of the domestic cash portfolio, they would impact variable interest cash flows. The cash flow impact on the portfolio of a 2% parallel increase/decrease in South African interest rates was therefore considered.

The following sensitivity analysis which was based on a regression model using data from 31 January 2002 to 31 December 2015:

	Scenario 1	Scenario 2
Annual change in interest rate	2.0%	2.0%
Projected portfolio performance	7.67%	6.65%

	Scenario 1 R'000	Scenario 2 R'000
Projected interest cash flows for 2015	21 947	14 307

19.2.1.1.2 Long term assets

As at 31 December 2015, the University had 88% (2014: 88%) of its fixed interest portfolios invested locally and 12% (2014: 12%) internationally. The University measures the value of the abovementioned portfolio at fair value (market value). The market risk variable to which the University is exposed in terms of these assets is interest rates (domestic and international). The international portfolio is also exposed to currency risk, which is addressed separately in note 18.2.2.

Sensitivity analysis: interest rate movements

The table below sets out the impact on the fixed interest portfolios and the resulting impact on profit or loss (on a pre-tax basis) of a 2% parallel increase in South African interest rates (relevant for the domestic fixed interest portfolios) and a 1% parallel increase in United States interest rates (relevant for the international fixed interest portfolio). All other variables have been kept constant. Note that a negative impact reflects the fact that the fair value of the fixed interest portfolios will fall in response to an increase in interest rates. The analysis is performed on the same basis as for 2014.

	2015 R'000	2014 R'000
Domestic bond portfolio	(157 577)	(209 425)
International bond portfolio	(14 868)	(37 086)
	(172 445)	**(246 511)**

The table below sets out the impact on the fixed interest portfolios of a 2% parallel decrease in South African interest rates (relevant for the domestic fixed interest portfolios) and a 1% parallel decrease in United States interest rates (relevant for the international fixed interest portfolio). Note that a positive impact reflects the fact that the fair value of the fixed interest portfolios will increase in response to a fall in interest rates. The analysis is performed on the same basis for 2014.

	2015 R'000	2014 R'000
Domestic bond portfolio	210 203	282 978
International bond portfolio	19 930	51 536
	230 133	**334 514**

19.2.2 Foreign currency risk

The University's exposure to foreign currency risk arises from Ethiopian student fee income, international portfolio investments and foreign currency asset purchases. The University's international portfolio is managed by its asset manager. The remaining foreign currency exposure is not managed on an active basis.

19.2.2.1 Exposure to currency risk

As at 31 December 2015, the University had R1,551 billion (2014: R1,251 billion) invested in international assets within the long term portfolio, of which R1,234 billion (2014: R995 million) was in equities and R317 million (2014: R255 million) was invested in bonds.

Sensitivity analysis: Exchange Rate Movements

A 10% strengthening of the Rand (ZAR) against the following currencies as at 31 December would have changed (increased/(decreased)) equity and profit or loss (on a pre-tax basis) by the amounts shown below. This analysis assumes that all other variables remain constant. (For example, the US Dollar figure assumes that the Rand strengthens against the US Dollar only, and remains constant against the other currencies). The analysis is performed on the same basis as for 2014.

	2015 R'000	2014 R'000
US Dollar	(81 154)	(64 316)
Euro	(27 038)	(21 884)
Japanese Yen	(14 799)	(9 403)
	(122 991)	**(95 603)**

A 10% weakening of the Rand against the above currencies as at 31 December would have the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

19.2.2 Other Market price risks

19.2.2.1 Equity price risk

Equity price risk that arises from equity securities at fair value through profit or loss is minimal, as the University follows a long-term and conservative investment strategy. The primary goal is to maximise investment returns. The equity portfolio is managed by specialised fund managers with specific mandates.

19.2.2.2 Exposure to equity price risk

As at 31 December 2015, the University had 83.8% (2014: 83.3%) of its equity portfolio invested in domestic equities and 16.2% (2014: 16.7%) in international equities. The University measures the value of the equity portfolio at fair value (market value). The market risk variable to which the University is exposed in terms of these assets is equity indices (domestic and international).

Sensitivity analysis

The impact on the equity portfolios and the resulting impact on profit or loss (on a pre-tax basis) of a 20% fall in the JSE All Share Index (relevant for the domestic equity portfolio) and a 10% fall in the MSCI World Equity Index (relevant for the global equity portfolios) is as follows (the analysis is performed on the same basis as for 2014):

	2015 R'000	2014 R'000
Domestic equity portfolio	(409 580)	(503 904)
International equity portfolio	(116 163)	(93 737)
	(525 743)	**(597 641)**

A 20% increase in the value of the JSE All Share Index and a 10% increase in the value of the MSCI World Equity Index as at 31 December 2015 would have the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

19.3 Liquidity risk

The University's operations are mainly cash driven. The liquidity is managed to ensure, as far as possible, that the University will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the University's reputation. The Operational Investment committee is tasked to manage the cash requirements.

19.4 Liquidity risk

The University's operations are mainly cash driven. The liquidity is managed to ensure, as far as possible, that the University will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the University's reputation. The Operational Investment committee is tasked to manage the cash requirements.

19.5 Maturity analysis

2015	Note	Carrying amount R'000	Within 1 year R'000	2–5 years R'000	More than 5 years R'000
Funds administered on behalf of DHET		68 606	5 129	18 077	45 400
Trade and other payables	13	808 029	808 029		
Student deposits		150 442	150 442		
		1 027 077	**963 600**	**18 077**	**45 400**

2014	Note	Carrying amount R'000	Within 1 year R'000	2–5 years R'000	More than 5 years R'000
Funds administered on behalf of DHET		70 869	4 813	16 964	49 092
Trade and other payables	13,27	812 955	812 955		
Student deposits		214 344	214 344		
Interest-bearing borrowings	10	7 281	7 281		
		1 105 449	**1 039 396**	**16 964**	**49 092**

19.6 Fair values

The fair values together with the carrying amounts of all financial instruments shown in the statement of financial position are as follows:

		2015		2014		As at 01 January 2014 Restated	
	Note	Carrying amount R'000	Fair Value R'000	Carrying amount R'000	Fair Value R'000	Carrying amount	Fair Value
Financial assets carried at fair value							
Financial assets designated at fair value through profit or loss	6	300 126	300 126	342 568	342 568	**239 829**	**239 829**
Financial assets held for trading	6, 27	5 432 924	5 432 924	6 190 707	6 190 707	**6 297 313**	**6 297 313**
		5 733 050	**5 733 050**	**6 533 275**	**6 533 275**	**6 537 142**	**6 537 142**
Financial assets carried at amortised cost							
Loans and receivables	5, 27	392 135	392 135	520 327	520 327	**562 964**	**562 964**
Cash and cash equivalents	7	572 017	572 017	258 602	258 602	**324 683**	**324 683**
		964 152	**964 152**	**778 929**	**778 929**	**887 647**	**887 647**

	Note	2015 Carrying amount R'000	2015 Fair Value R'000	2014 Carrying amount R'000	2014 Fair Value R'000	As at 01 January 2014 Restated Carrying amount	As at 01 January 2014 Restated Fair Value
Financial liabilities carried at amortised cost							
Funds administered on behalf of DHET		68 606	68 606	70 869	70 869	**68 998**	**68 998**
Trade and other payables		808 029	808 029	812 955	812 955	**611 279**	**611 279**
Student deposits		150 442	150 442	214 344	214 344	**170 951**	**170 951**
Current portion of interest-bearing borrowings	10			7 281	7 281	**10 958**	**10 958**
		1 027 077	**1 027 077**	**1 105 449**	**1 105 449**	**862 186**	**862 186**

Estimation of fair values

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments reflected in the above table.

Listed debt and equity securities

Fair value is based on quoted market prices at the reporting date without any deduction for transaction cost.

Unit trust investments

The fair value of unit trust investments is determined as the redemption value of these investments at the reporting date.

Interest-bearing borrowings and non-current receivables

Fair value is calculated based on discounted expected future principal and interest cash flows. The discount rate used to calculate fair value for 2015 was 5.27% (2014: 8.48%).

Student and other receivables/payables and student deposits

For receivables/payables and student deposits with a remaining life of less than one year, the carrying amount is deemed to reflect the fair value.

19.7 Fair Value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	Note	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
31 December 2015					
Financial assets designated at fair value through profit or loss	6	300 126			**300 126**
Financial assets held for trading	6	5 432 924			**5 432 924**
		5 733 050			**5 733 050**

	Note	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
31 December 2014					
Financial assets designated at fair value through profit or loss	**6**	342 568			342 568
Financial assets held for trading	**6, 27**	6 190 707			6 190 707
		6 533 275			**6 533 275**

There have been no transfers between categories.

NOTE 20: CONTINGENT LIABILITIES

20.1 Guarantees

A contingent liability in the form of guarantees, amounting to R1,9 million (2014: R2 million) exists in respect of loans and bank facility guarantees.

20.2 Industrial Relations

At 31 December 2015 outstanding claims amounting to approximately R16,2 million (2014: R11 million) in respect of on-going industrial relations litigation existed. No provisions for settlement of these claims have been recognised at reporting date.

NOTE 21: COMMITMENTS

21.1 Capital commitments

Contracts negotiated and orders placed in respect of capital items and inventories not yet executed:

	2015 R'000	2014 R'000
Property, plant and equipment	325 309	213 133
Inventories and services	997 264	359 019
	1 322 572	**572 152**

21.2 Operating lease commitments

The future minimum lease payments under non-cancellable operating leases are as follows:

	2015 R'000	2014 R'000
Not later than 1 year	62 518	50 100
Later than 1 year and not later than 5 years	80 982	107 552
	143 500	**157 652**

The University leases photocopying machines, motor vehicles, buildings and warehouse facilities countrywide for the purpose of Regional Offices, Learning Centres, Examination Centres and storage facilities under operating leases. The leases typically run for a period of three years with an option to renew the lease after that date. Lease payments will increase annually or as agreed-upon based on changes in the price index.

NOTE 22: CASH GENERATED FROM OPERATIONS

Reconciliation of net surplus to cash generated from operations:

	Note	2015 R'000	2014 Restated R'000
Net (deficit)/surplus		(343 220)	105 338
Adjustments for:			
Pension fund (surplus) recognised	11.2	(25 570)	(69 468)
Fair value adjustments	15	58 978	(337 230)
Depreciation and amortisation		302 612	262 103
Loss on sale property plant and equipment		624	876
Profit on sale of investments		(256)	(11 748)
Investment income	15	(292 216)	(311 898)
Finance costs	18	7 652	11 209
Net foreign exchange differences		(105 982)	(46 353)
Increase in post-employment obligation	11.1	40 490	48 107
Increase in funds administered on behalf of the DHET		(2 264)	1 870
Changes in working capital (excluding the effects of acquisition and disposal):		**(4 376)**	**161 417**
Accounts and other receivables	5	145 353	19 763
Inventories	4	(17 139)	12 576
Trade and other payables	13	(132 590)	129 078
Cash generated from operations		**(363 528)**	**(185 777)**

NOTE 23: COMPENSATION PAID TO EXECUTIVE MANAGEMENT AND COUNCIL MEMBERS

Compensation paid to Executive Management

The following disclosure relates to compensation paid to Executive staff. Remuneration is based on the cost of employment to the institution comprising flexible remuneration packages

Name	Office held	Total costs R'000
Prof M S Makhanya	Principal and Vice Chancellor	4 169
Prof B J Erasmus	Vice Principal: Operations (resigned 31 December 2015)	2 662
Prof M C Maré	Vice Principal Academic: Teaching and Learning (retired 31 December 2015)	2 621
Prof D Singh	Vice Principal: Advisory and Assurance Services	2 532
Prof R M Phakeng	Vice Principal: Research and Innovation	2 464
Dr M Qhobela	Vice Principal: Institutional Development (resigned 31 December 2015)	2 345
Prof N Baijnath	Pro Vice Chancellor (resigned 30 September 2015)	2 306
Ms V F Memani-Sedile	Executive Director: Finance	2 165
Prof P H Havenga	Executive Director: Academic Planner	2 161
Prof M J Linington	Executive Dean: College of Agriculture and Environmental Sciences	2 112
Prof R M Moeketsi	Executive Dean: College of Human Sciences	2 092
Dr RD Mokate	Executive Director: SBL	2 070
Ms L Sangqu	Executive Director: Information and Communication Technology (resigned 31 December 2015)	2 067
Dr B Mbambo-Thata	Executive Director: Library	2 004
Ms L Griesel	Executive Director: Strategy, Planning and Quality Assurance	1 989
Mr J C van Wyk	Executive Director: Legal Services	1 981
Prof G C Cuthbertson	Executive Dean: College of Graduate Studies	1 933
Dr T N D Sidzumo-Mazibuko	Executive Director: Diversity Management, Equity and Transformation (retired 31 December 2015)	1 898
Mrs A Steenkamp	Chief Audit Executive	1 877
Dr J C Henning	Deputy Executive Director: Library Services	1 854
Prof L Labuschagne	Executive Director: Research	1 843
Prof R Songca	Executive Dean: College of Law	1 837
Dr A M Mahomed	Executive Director: Study Material, Production and Delivery	1 836
Dr I O G Moche	Executive Dean: College of Science, Engineering and Technology	1 818
Dr P S Zulu	Executive Director: Human Resources	1 806
Prof E Sadler	Deputy Executive Dean: College of Economic and Management Sciences	1 791
Mr I I Mogomotsi	Executive Director: University Estates	1 781
Prof I W Alderton	Deputy Executive Dean: College of Science, Engineering and Technology	1 760
Prof E O Mashile	Executive Director: Tuition and Facilitation of Learning	1 745
Prof V A McKay	Deputy Executive Dean: College of Education	1 695
Mr M Shaikh	Executive Director: Communication and Marketing	1 677
Mr D C Fortuin	Executive Director: Compliance	1 671
Mr D van der Merwe	Deputy Executive Director: Information and Communication Technology	1 657
Dr Q M Temane	Deputy Registrar	1 646
Dr B E Zawada	Deputy Executive Dean: College of Human Sciences	1 641
Prof M Slabbert	Deputy Executive Dean: College of Law	1 592
Prof R T Mpofu	Deputy Executive Dean: College of Economic and Management Sciences	1 556
Dr J M Brinders	Executive Director: Academic Transformation (Projects)	1 443
Prof NG Zide	Registrar Academic Enrolments and Administration (appointed 1 September 2015)	767
Prof D Modise	Deputy Executive Dean: Agriculture and Environmental Sciences (CAES) (appointed 1 September 2015)	537
Prof Z L Dlamini	Deputy Executive Dean: College of Agriculture and Environmental Sciences (resigned 31 May 2015)	435
Prof GP Coetzee	Deputy Executive Dean: Accounting Sciences (CAS) (appointed 1 October 2015)	386
Mr PZR Zwane	Chief Financial Officer (appointed 1 November 2015)	348
Prof MT Mogale	Executive Dean: Economic and Management Sciences (CEMS) (appointed 1 November 2015)	286
Mr GM Letsoalo	VP ICT Chief Information Officer (appointed 1 December 2015)	175

Compensation paid to Council Members

The following disclosure relates to compensation paid to Council Members for work as a Council member.

Council Member	Attendance at meetings	Reimbursement of expenses	Total
	R'000	R'000	R'000
Dr S Mokone- Matabane	98	9	107
OSN Lebese	75	9	84
Mr P Vundla	58	6	64
NV Mokoka	42	10	52
LI Tlhabanelo	47	5	52
Mr SA Simelane	45	3	48
Mr AA da Costa	47		47
Dr ES Jacobson	38	3	41
Mr T Ramasike	27	11	38
PJA Mphafudi	26	7	33
Dr NM Phosa	27		277
M Shaik-Amod	25	2	27
FE Letlape	24	1	25
I Tufvesson	23	1	24
B Mehlomakulu	18	2	20
C Thokoane	17		17
SD Mayinga	14	3	17
P Maharaj	17		17
Prof RH Stumph	14	1	15
Dr C von Eck	14	1	15
B Ngcaweni	12	1	13
DD Mokgatle	11	1	12
F Karodia	8	2	10
G Reddy	8	2	10
FCS Marupen	8		8
B Khumalo	8		8
MES Motala	6	1	7
Mr SP du Toit	5		5
O Ngwenya	5		5
EL Swart	5		5
MC Kganakga	3	1	4
Dr L Makuleni	3		3
TT Ngcobo	3		3

NOTE 24: ESTIMATIONS AND JUDGEMENT APPLIED BY MANAGEMENT IN APPLYING THE ACCOUNTING POLICIES

The following estimations and judgements were applied by the Council and Management in applying the accounting policies

24.1 Write-down of inventory

The level of study material and prescribed books on hand at each reporting date is examined and compared to the historical usage and estimated future student registrations. Study material that will be revised within a two year period is also identified. Any material in excess of demand is written down and reflected at their scrap value.

Damaged inventory is similarly written down when identified.

24.2 Post retirement employee benefits

The estimations and assumptions applied by the independent actuaries in valuing the University's post-retirement pension fund and medical aid liabilities are fully disclosed in the related notes.

24.3 Provision for student and sundry debtors

At year end the university makes an estimate of the amount of the total outstanding student debt that it is expected to not be recovered. This estimate is based on the percentage of recoverability of the outstanding fees. This amount is then provided for in full.

For sundry debtors all debtors outstanding at year end, older the 90 days are provided for in full.

NOTE 25: RELATED PARTIES

25.1 Senior Management and employees

25.1.1 Emoluments paid to Senior Management

Senior Management has been defined on all post grades between Deputy Executive Dean/ Director and the Principal and Vice chancellor. Please refer to note 23 for more detail.

25.1.2 Study benefits

In terms of conditions of service, employees and dependants are entitled to the following study benefits:

- Senior Management and their close relatives who study at any other recognised tertiary institution will receive a subsidy from the University. During 2015 an amount of R141 879 (2014: R76 316) was paid as subsidies.
- Senior Management and their close relatives who study at the University will only pay the cost for one undergraduate semester module. In certain cases the study fees will be subsidised in full. During 2015 the benefit granted amounted to R nil (2014: R nil).

25.1.3 Council members, senior management and employees interest in supply contracts

In terms of the University's policy, all employees are required to declare any potential conflict of interest that may arise when the University contracts with an external supplier. During the year the following transactions were concluded with institutions where Council Members were involved with:

Name	Supplier	Relationship with Unisa	Relationship with Supplier	Service rendered	Amount R'000
Ms JA Glennie	SAIDE	Council Member	Director	To provide services to the Unisa Open Distance Learning project	19

25.2 Exchanges with the Department of Higher Education and Training (DHET)

25.2.1 Funds administered on behalf of DHET

	2015 R'000	2014 R'000
Funds administered	68 606	70 869

The University has been appointed as legal successor for the former Vista University. In terms of a memorandum of agreement with the DHET the University will administer the medical aid liability of the Vista's pensioners on behalf of the DHET.

Amount receivable from the DHET

	2015 R'000	2014 R'000
Subsidy received	2 283 615	2 022 989

25.2.2 Funds allocated for the improvement of teaching/learning facilities and infrastructure, student output efficiencies and for staff restructuring

	2015 R'000	2014 R'000
Amount spent	905	389
Amount charged through profit and loss	3 731	2 605

The DHET has allocated R100 million in 2007 to the University for the improvement of infrastructure and student output efficiencies. The funds will be spent according to the pre-approved project plans submitted to the DHET. The University is required to submit regular reports to the DHET on the implementation of the projects, including accounting for all expenditure.

	2015 R'000	2014 R'000
Amount spent	4 887	2 789

The (DHET) has allocated R50 million in 2007 for staff restructuring

25.2.3 Funds allocated for teaching development

	2015 R'000	2014 R'000
Amount allocated	131 032	
Amount spent	148 311	124 790
Amount charged through profit and loss	148 333	124 796

The DHET has allocated development funding for the improvement of teaching. The funds will be spent within the parameters as set out in the University's proposal to the DHET. The University will be required to submit regular reports.

25.2.4 Funds allocated for research development

	2015 R'000	2014 R'000
Amount spent	30 209	39 328

The DHET has allocated development funding for the improvement of research. The funds will be spent within the parameters as set out in the University's proposal to the DHET. The University will be required to submit regular reports.

25.2.5 Funds allocated for foundation provision

	2015 R'000	2014 R'000
Amount spent	23 931	18 415

The DHET has allocated foundation funding. These funds will be spent within the parameters as set out by the DHET

25.2.6 Funds allocated for veterinary sciences programmes

	2015 R'000	2014 R'000
Amount allocated	995	
Amount spent	1 742	1 518
Amount charged through profit and loss	1 785	1 518

The DHET has allocated funding for the improvement of equity profiles of veterinary sciences programmes, increases in the graduate outputs of these programmes, institutional cooperation and improvements in the geographical distribution of veterinary sciences specialization.

25.2.7 Funds allocated for infrastructure and efficiency (Engineering and Undergraduate Life and Physical Sciences)

	2015 R'000	2014 R'000
Amount spent	17 395	

The DHET has allocated funding for the New generation of Academics programme. These funds will be spent within the parameters as set out by the DHET. The university will be required to submit regular reports.

25.2.8 Funds allocated for infrastructure and efficiency (FC1 to FC9)

	2015 R'000	2014 R'000
Amount allocated	5 894	1 343
Amount spent	5 896	3 049

The DHET has allocated funding for infrastructure and efficiency The funds will be spent within the parameters as set out in the University's proposal to the DHET. The University will be required to submit regular reports.

25.2.9 Funds allocated for teaching collaborative grant

	2015 R'000	2014 R'000
Amount allocated	1 754	787
Amount spent	1 078	97

The DHET has allocated funding for the teaching and collaborative grant. The funds will be spent within the parameters as set out in the University's proposal to the DHET. The University will be required to submit regular reports.

25.2.10 Funds allocated for ICT infrastructure and efficiency

	2015 R'000	2014 R'000
Amount allocated	2 478	
Amount spent	615	

The DHET has allocated funding for ICT infrastructure and efficiency. The funds will be spent within the parameters as set out in the University's proposal to the DHET. The University will be required to submit regular reports.

25.2.11 Funds allocated for infrastructure and efficiency (Maintenance)

	2015 R'000	2014 R'000
Amount allocated	24 500	
Amount spent	7 204	

The DHET has allocated funding maintenance. The funds will be spent within the parameters as set out in the University's proposal to the DHET. The University will be required to submit regular reports.

25.2.12 Funds allocated for infrastructure and efficiency (Engineering and Undergraduate Life and Physical Sciences)

	2015 R'000	2014 R'000
Amount spent	18 259	18 432

The DHET has allocated funding for infrastructure and efficiency (Engineering and Undergraduate Life and Physical Sciences. The funds will be spent within the parameters as set out in the University's proposal to the DHET. The University will be required to submit regular reports

25.3 Post-employment benefit plans

Contributions by the University to these plans are disclosed in note 11.

NOTE 26: CAPITAL MANAGEMENT

The University's objectives when managing capital are:

- safeguard the university ability to continue as a going concern
- generate additional investment income
- act as a short-term relief for operational cash flow requirements
- act as a source of bridging capital when required
- provide project finance
- provide financial stability and security
- protect the capital base of the reserve funds against inflation

Funds are invested according to the cash flow requirements and projected future cash flows.

The University manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The management of the capital has been outsourced to specialised investment fund managers who are issued with specific mandates and restrictions. The performance of fund managers is monitored on a regular basis by the Operational Investment Committee and reported to the Finance, Investment and Estates Committee of Council and Council.

The University is subject to the regulatory requirements of the Department of Higher Education and Training relating to its capital management.

NOTE 27: ADJUSTMENTS

The results for the year ended 31 December 2014 have been restated. The reasons for the restatements are disclosed below. Since the university is exempt from taxation, no taxation or deferred taxation effect of the restatements are disclosed.

The errors have been corrected by restating each of the affected financial statement line items for the prior period as follows:

Accumulated Funds: Unrestricted

	Note	2014 R'000	As at 01 January 2014 R'000
Balance as previously reported		7 740 196	7 774 360
Adjustment arising from:			
During the year under review the university conducted a complete asset verification and adjusted the assets register to reflect these values		170 259	76 554
During the year under review the university reversed its decision to sell the houses in Florida		(125)	(100)
Reversal of depreciation on intangibles classified as library books		12 785	4 379
Depreciation on intangible assets		(8 062)	(4 118)
Debtors incorrectly written off		353	997
NSFAS debtor incorrectly written off		46 179	
Investment incorrectly capitalised. The investment was not the university's investment		(37 976)	(26 255)
Accruals incorrectly raised		9 575	5 303
Income from donations incorrectly classified as deferred income		17 413	14 139
Balance restated		**7 950 597**	**7 845 259**

During the year under review, the university undertook a complete asset verification exercise. This has resulted to adjustments to assets as well as reclassification of certain assets

Furniture and equipment – Cost

	Note	2014 R'000	As at 01 January 2014 R'000
Balance as previously reported		322 917	271 766
Adjustment as a result of the asset verification		50 968	21 589
Net additions as previously reported		57 482	
Balance restated		**431 367**	**293 355**

Furniture and equipment – Accumulated Depreciation

	Note	2014 R'000	As at 01 January 2014 R'000
Balance as previously reported		(182 870)	(157 990)
Adjustment as a result of the asset verification		33 542	30 175
Net additions as previously reported		(23 880)	
Balance restated		**(173 208)**	**(127 815)**

Computer equipment and leased assets – Cost

	Note	2014 R'000	As at 01 January 2014 R'000
Balance as previously reported		480 118	428 320
Adjustment as a result of the asset verification		(120 990)	(116 105)
Net additions as previously reported		51 798	
Balance restated		**410 926**	**312 215**

Computer equipment and leased assets – Accumulated Depreciation

	Note	2014 R'000	As at 01 January 2014 R'000
Balance as previously reported		(291 168)	(224 646)
Adjustment as a result of the asset verification		208 940	135 193
Net additions as previously reported		(66 522)	
Balance restated		**(148 750)**	**(89 453)**

Vehicles and farm equipment – Cost

	Note	2014 R'000	As at 01 January 2014 R'000
Balance as previously reported		15 403	14 333
Adjustment as a result of the asset verification		(877)	(4 455)
Net additions as previously reported		1 070	
Balance restated		**15 596**	**9 878**

Vehicles and farm equipment – Accumulated Depreciation

	Note	2014 R'000	As at 01 January 2014 R'000
Balance as previously reported		(13 177)	(10 978)
Adjustment as a result of the asset verification		7 067	4 667
Net additions as previously reported		(2 250)	
Balance restated		**(8 360)**	**(6 311)**

Laboratory, museum, art and audio-visual equipment – Cost

	Note	2014 R'000	As at 01 January 2014 R'000
Balance as previously reported		257 133	98 165
Adjustment as a result of the asset verification		(162 752)	(9 843)
Net additions as previously reported		158 968	
Balance restated		**253 349**	**88 322**

Laboratory, museum, art and audio-visual equipment – Accumulated Depreciation

	Note	2014 R'000	As at 01 January 2014 R'000
Balance as previously reported		(66 741)	(49 198)
Adjustment as a result of the asset verification		36 827	19 042
Net additions as previously reported		(18 129)	
Balance restated		**(48 043)**	**(30 156)**

Library books – Cost

	Note	2014 R'000	As at 01 January 2014 R'000
Balance as previously reported			
Adjustment as a result of the asset verification		682 889	684 088
Net additions as previously reported		(25 217)	(25 217)
Balance restated		**657 672**	**658 871**

Library books – Accumulated Depreciation

	Note	2014 R'000	As at 01 January 2014 R'000
Balance as previously reported			
Adjustment as a result of the asset verification		(616 849)	(601 440)
Net additions as previously reported		12 785	4 379
Balance restated		**(604 064)**	**(597 061)**

Land, buildings and work in progress – Cost

	Note	2014 R'000	As at 01 January 2014 R'000
Balance as previously reported			
Adjustment as a result of the asset verification		2 335 212	2 212 768
Net additions as previously reported		(35 411)	2 619
Balance restated		**2 299 801**	**2 215 387**

Land, buildings and work in progress – Accumulated Depreciation

	Note	2014 R'000	As at 01 January 2014 R'000
Balance as previously reported			
Adjustment as a result of the asset verification		(336 524)	(283 426)
Net additions as previously reported		1 711	
Balance restated		**(334 813)**	**(283 426)**

Intangible Assets – Cost

	Note	2014 R'000	As at 01 January 2014 R'000
Balance as previously reported			
Adjustment as a result of the asset verification		137 512	111 358
Net additions as previously reported		18 789	18 789
Balance restated		**156 301**	**130 147**

Intangible Assets – Accumulated Depreciation

	Note	2014 R'000	As at 01 January 2014 R'000
Balance as previously reported			
Adjustment as a result of the asset verification		(60 260)	(40 730)
Net additions as previously reported		(8 062)	(4 118)
Balance restated		**(68 322)**	**(44 848)**

Trade and other receivables

	Note	2014 R'000	As at 01 January 2014 R'000
Balance as previously reported		496 400	561 697
Debtors incorrectly written off		353	997
Reversal of the DHET debtor for grants which will not be paid		(22 605)	
NSFAS debtor incorrectly written off		46 179	
Balance restated		**520 327**	**562 694**

Held for trading investments

	Note	2014 R'000	As at 01 January 2014 R'000
Balance as previously reported		6 228 683	6 323 568
Investment incorrectly capitalized. The investment was not the university's investment		(37 976)	(26 255)
Balance restated		**6 190 707**	**6 297 313**

Trade and other payables

	Note	2014 R'000	As at 01 January 2014 R'000
Balance as previously reported		819 441	616 581
Amount previously disclosed as deferred income		3 089	
Accruals incorrectly raised		(9 575)	(5 303)
Balance restated		**812 955**	**611 278**

Deferred income

	Note	2014 R'000	As at 01 January 2014 R'000
Balance as previously reported		398 450	554 460
Amount that should been disclosed as trade and other payables		(3 089)	
Reversal of the DHET grants which will not be paid		(22 605)	
NSFAS debtor incorrectly written off		(17 413)	(14 139)
Balance restated		**358 432**	**540 321**

Impact on statement of profit or loss and other comprehensive income (increase/(decrease) in profit)

	2014 R'000
Total comprehensive income as previously reported	(34 164)
Private gifts and grants	3 274
Interest and dividends	(396)
Market value adjustments - investments	(12 056)
Other operating expenses – NSFAS write-off	46 179
Other operating expenses – investment costs	731
Other operating expenses – accruals	4 272
Other operating expenses – debtors written off	(644)
Other operating expenses – non capitalized assets	93 680
Depreciation provision	4 462
Total comprehensive income restated	**105 388**

	2014 R'000
Adjustments	
Increase in personnel costs	10 558
Increase in Other comprehensive Income	10 558

No interest was calculated on the opening balance of the effect of the asset ceiling for the year ended 31/12/2014, the effect of which is reflected above.

NOTE 28: REPORTABLE IRREGULARITY

28.1 Unemployment Insurance Contribution Act and Skills Development Levies Act

During the current year based on an audit conducted by the South African Receiver of Revenue, it was noted that unemployment insurance fund (UIF) contributions in terms of Section 6 of the Unemployment Insurance Contributions Act (UIC Act) and the skills development levy (SDL) in terms of Section 3(1) and 4 of the Skills Development Levies (SDL Act) were not withheld from the salaries of the Independent contractors.

At the date of this report, the matter has been resolved.

28.2 Value Added Tax Act

During the current year based on an audit conducted by our VAT specialists, the following non-compliance points were noted in respect of VAT Act (Act No.89 of 1991).

I. Testing of income indicated a possible under declaration of output tax in respect of: Sponsorships, Cheque Administration Fees, Seminar and Congress Fees, Sale of scrap, and External Services.
II. Taxable, zero rated and exempt income was not separately declared on the VAT 201 return as required.

Unisa has voluntarily disclosed this information to SARS under the Voluntarily Disclosure Programme.

NOTE 29: EVENTS AFTER REPORTING PERIOD

No material events, non-adjusting or adjusting, have occurred between date of the statement of financial position and the date of the annual report.

NOTE 30: STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

Standards and Interpretations issued but not yet effective at the reporting date.

At 31 December 2015, the following Standards and Interpretations were in issue but not yet effective

Standard/Interpretation		Effective date Periods beginning on or after
IFRS 9	*Financial Instruments*	1 January 2018
IFRS 7	*Financial instruments disclosures*	1 January 2016
IFRS 5	*Non-current assets held for sale and discontinued operations*	1 January 2016
IFRS 10	*Consolidated Financial Statements*	1 January 2016
IFRS 15	*Revenue from contracts from customers*	1 January 2017
IAS 1	*Presentation of Financial Statements*	1 January 2016
IAS 16	*Property, Plant and Equipment*	1 January 2016
IAS 19	*Employee benefits*	1 January 2016
IAS 27	*Consolidated and Separate Financial statements*	1 January 2016
IAS 28	*Investments in Associates*	1 January 2016
IAS 34	*Interim financial reporting*	1 January 2016
IAS 38	*Intangible Assets*	1 July 2016
IAS 28	*Investments in Associates*	1 January 2016
IAS 34	*Interim financial reporting*	1 January 2016
IAS 38	*Intangible Assets*	1 July 2016

THE **CREST**

The crest symbol is composed of ten graphic elements, all carefully researched, selected and crafted to express the core values and vision of Unisa. Distinctly African – each element is rich in meaning.

The Flames
The flames are Unisa's unique differentiation as a flexible and accessible environment affording learners the freedom to pursue their dreams.

The Sparks
The sparks present Unisa as an environment of creation and enlightenment.

The Calabash
The calabash, an African symbol of generosity, hospitality and sharing, represents Unisa's awareness of its social responsibility to service humanity.

The Diamonds
The diamonds represent the five Unisa colleges, each offering a wealth of knowledge and expertise.

The Arch
The arch symbolises the brain as the core of learning.

The Sun
The sun represents the university's ongoing search for excellence and leading role in shaping the future of Africans through learning.

The Open Book
The Open Book – reminiscent of waves – represents the university's role as an institution of learning and continuous development.

The Unity Symbol
An African symbol of unity and humanity signifies the university's central role in providing service to humanity, as well as the interdependence of the African community and the various university stakeholders.

The Tusks
The tusks represent Unisa's strength, heritage and stature as a national institution, anchor of learning and the mother of many of South Africa's leading institutions of higher learning.

The Motto
Pro Gentibus Sapientia – literally derived from our vision – "*learning in the service of humanity*".

PRO GENTIBUS SAPIENTIA

UNISA

UNIVERSITY OF SOUTH AFRICA